



OHIO AUDITOR OF STATE
KEITH FABER



**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY
JUNE 30, 2022**

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NOBLE COUNTY
JUNE 30, 2022**

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OHIO AUDITOR OF STATE KEITH FABER



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

INDEPENDENT AUDITOR'S REPORT

Noble Local School District
Noble County
20977 Zep Road East
Sarahsville, Ohio 43779

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 major fund, and the aggregate remaining fund information of the Noble Local School District, Noble County, Ohio (the School District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School 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 major fund, and the aggregate remaining fund information of the Noble Local School District, Noble County, Ohio, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund 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 School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School 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 School 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 School 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*, 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 School District's basic financial statements. The Schedule of Expenditures of Federal Awards (the Schedule) 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 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 17, 2023, on our consideration of the School 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 School 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 School District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

March 17, 2023

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Noble Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
Unaudited

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

Financial Highlights

Key financial highlights for the fiscal year 2022 are as follows:

- Total net position of the School District increased \$10,147,246.
- General revenues accounted for \$23,843,703 in revenue or 87 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants, contributions, and interest accounted for \$3,495,953 or 13 percent of total revenues of \$27,339,656.
- The School District had \$17,192,410 in expenses related to governmental activities; only \$3,495,953 of these expenses were offset by program specific charges for services and sales, grants, contributions, and interest. General revenues of \$23,843,703 were adequate to provide for these programs.

Using this Annual 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 Noble Local School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School 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 School District's most significant funds with all other non-major funds presented in total in one column.

Reporting the School District as a Whole

Statement of Net Position and Statement of Activities

While this document contains information about the large number of funds used by the School District to provide programs and activities for students, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2022?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies.

This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid. These two statements report the School District's net position and changes in net position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished.

Noble Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
Unaudited

The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School 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, all of the School District's programs and services are reported as Governmental Activities including instruction, support services, operation of non-instructional services, extracurricular activities, and interest and fiscal charges.

Reporting the School District's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The analysis of the School District's major funds begins on page 12. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multiple of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund and the Permanent Improvement Capital Projects Fund.

Governmental Funds Most of the School 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 fiscal yearend 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 School District's general governmental operations and the basic services it provides. Governmental fund information helps you 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 Funds Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. The School District's only fund of this type is the Self-Insurance Internal Service Fund. However, the activity of this fund is combined with the Governmental Activities on the entity wide financial statements.

Fiduciary Funds Fiduciary funds are used to account for resources held for the benefit of parties outside the School District. They are not reflected on the government-wide financial statements because the resources from those funds are not available to support the School District's programs. The accounting method used for fiduciary funds is much like that used for the proprietary funds.

Reporting the School District's Fiduciary Responsibilities

The School District is the trustee, or fiduciary, for a scholarship program. This activity is presented as a private purpose trust fund. The School District also acts in a trustee capacity as an agent for individuals, private organizations, and other government units. These activities are reported in a custodial fund. The School District's fiduciary activities are reported in a separate Statement of Net Position and Statement of Changes in Net Position. These activities are excluded from the School District's other financial statements because the assets cannot be utilized by the School District to finance its operations.

Noble Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
 Unaudited

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2022 compared to 2021:

Table 1 - Net Position

| | 2022 | 2021 | Change |
|---------------------------------------|--------------|--------------|--------------|
| Assets | | | |
| Current and Other Assets | \$49,364,330 | \$46,412,488 | \$2,951,842 |
| Capital Assets | 25,540,417 | 21,704,806 | 3,835,611 |
| Total Assets | 74,904,747 | 68,117,294 | 6,787,453 |
| Deferred Outflows of Resources | | | |
| Pension | 3,426,194 | 2,662,115 | 764,079 |
| OPEB | 450,194 | 434,719 | 15,475 |
| Total Deferred Outflows of Resources | 3,876,388 | 3,096,834 | 779,554 |
| Liabilities | | | |
| Current and Other Liabilities | 2,302,003 | 2,638,554 | (336,551) |
| Long-term Liabilities: | | | |
| Due Within One Year | 66,907 | 119,590 | (52,683) |
| Due in More Than One Year: | | | |
| Net Pension Liability | 7,308,145 | 13,074,384 | (5,766,239) |
| Net OPEB Liability | 950,449 | 1,023,515 | (73,066) |
| Other Amounts | 1,008,748 | 1,020,923 | (12,175) |
| Total Liabilities | 11,636,252 | 17,876,966 | (6,240,714) |
| Deferred Inflows of Resources | | | |
| Property Taxes | 10,247,263 | 12,476,354 | (2,229,091) |
| Pension | 5,757,703 | 65,555 | 5,692,148 |
| OPEB | 1,585,544 | 1,388,126 | 197,418 |
| Total Deferred Inflows of Resources | 17,590,510 | 13,930,035 | 3,660,475 |
| Net Position | | | |
| Net Investment in Capital Assets | 25,439,834 | 21,082,200 | 4,357,634 |
| Restricted | 79,341 | 213,988 | (134,647) |
| Unrestricted (Deficit) | 24,035,198 | 18,110,939 | 5,924,259 |
| Total Net Position | \$49,554,373 | \$39,407,127 | \$10,147,246 |

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2022. 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 School 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

Noble Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
Unaudited

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.

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.

Total assets of governmental activities increased \$6,787,453. Current and other assets increased \$2,951,842, primarily due to continued increases in cash and cash equivalents. The increase in cash and cash equivalents was offset by a decrease in property taxes receivable related to an appeal of assessed valuation for natural gas pipelines within the School District. Capital assets increased \$3,835,611 due to the School District's ongoing construction projects. The School District continues to capitalize assets at a faster pace than current year depreciation.

Total liabilities decreased \$6,240,714. Current and other liabilities decreased by \$336,551. The decrease was primarily due to decreases in contracts and retainage payable related to ongoing construction and improvement projects. Long-term liabilities decreased \$5,904,163, primarily due to a decrease in the net pension liability due to the changes in assumptions offset by changes in net investment income.

The School District's deferred inflows of resources increased \$3,660,475, primarily due to the previously mentioned change in the net difference between projected and actual earnings on pension plan investments, which was offset by a decrease in the amount of deferred inflows of resources for property taxes, which are intended to finance fiscal year 2023.

Table 2 shows the changes in net position for the fiscal year ended June 30, 2022, and comparisons to fiscal year 2021.

Noble Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
 Unaudited

Table 2
 Changes in Net Position

| | 2022 | 2021 | Change |
|---|---------------------|---------------------|---------------------|
| Revenues | | | |
| Program Revenues | | | |
| Charges for Services and Sales | \$656,477 | \$1,788,858 | (\$1,132,381) |
| Operating Grants, Contributions, and Interest | 1,419,273 | 1,845,732 | (426,459) |
| Capital Grants, Contributions, and Interest | 1,420,203 | 4,335 | 1,415,868 |
| Total Program Revenues | <u>3,495,953</u> | <u>3,638,925</u> | <u>(142,972)</u> |
| General Revenues | | | |
| Property Taxes | 16,872,565 | 18,432,780 | (1,560,215) |
| Payments in Lieu of Taxes | 99,891 | 18,448 | 81,443 |
| Grants and Entitlements | 6,790,862 | 5,528,060 | 1,262,802 |
| Investment Earnings | (39,323) | 108,841 | (148,164) |
| Contributions and Donations | 79,727 | 0 | 79,727 |
| Miscellaneous | 39,981 | 195,726 | (155,745) |
| Total General Revenues | <u>23,843,703</u> | <u>24,283,855</u> | <u>(440,152)</u> |
| Total Revenues | <u>27,339,656</u> | <u>27,922,780</u> | <u>(583,124)</u> |
| Program Expenses | | | |
| Instruction | | | |
| Regular | 6,304,454 | 7,110,159 | (805,705) |
| Special | 2,083,450 | 1,959,486 | 123,964 |
| Vocational | 795,180 | 773,533 | 21,647 |
| Student Intervention | 13,668 | 15,785 | (2,117) |
| Support Services | | | |
| Pupils | 964,827 | 959,076 | 5,751 |
| Instructional Staff | 507,155 | 318,520 | 188,635 |
| Board of Education | 77,742 | 79,389 | (1,647) |
| Administration | 1,334,304 | 1,400,723 | (66,419) |
| Fiscal | 864,326 | 882,273 | (17,947) |
| Business | 19,238 | 19,050 | 188 |
| Operation and Maintenance of Plant | 1,630,408 | 2,223,135 | (592,727) |
| Pupil Transportation | 1,404,559 | 1,254,624 | 149,935 |
| Central | 86,239 | 125,570 | (39,331) |
| Operation of Non-Instructional Services | | | |
| Food Service Operations | 680,250 | 661,199 | 19,051 |
| Other Non-Instructional Services | 3,750 | 273,647 | (269,897) |
| Extracurricular Activities | 422,116 | 472,885 | (50,769) |
| Interest | 744 | 1,356 | (612) |
| Total Expenses | <u>17,192,410</u> | <u>18,530,410</u> | <u>(1,338,000)</u> |
| Change in Net Position | 10,147,246 | 9,392,370 | 754,876 |
| Net Position Beginning of Year | <u>39,407,127</u> | <u>30,014,757</u> | <u>9,392,370</u> |
| Net Position End of Year | <u>\$49,554,373</u> | <u>\$39,407,127</u> | <u>\$10,147,246</u> |

Noble Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
Unaudited

Total revenues decreased \$583,124. Program revenues decreased \$142,972 from fiscal year 2021 to fiscal year 2022. Charges for services and sales program revenue declined significantly from fiscal year 2021. This is primarily due to a decrease in tuition and fees related to changes in the State Foundation Funding Model, which took effect in fiscal year 2022. The new funding model is a direct funding model in which community school, STEM school, scholarship, and open enrollment funds are distributed directly by the State of Ohio to the educating school districts. The decrease in charges for services and sales was offset by capital grants and contributions program revenue, primarily related to Elementary and Secondary School Emergency Relief (ESSER) Funds recognized in fiscal year 2022.

The DeRolph III decision has not eliminated the dependence on property taxes. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. Inflation alone will not increase the amount of funds generated by a tax levy. The mills collected decreases as the property valuation increases, thus generating about the same revenue unless new construction or growth are a factor. Property taxes made up approximately 71 percent of general revenues for governmental activities for the School District in fiscal year 2022. Property tax revenue decreased from the prior year as taxes related to gas and oil production decreased, coupled with the beginning impacts of appealed assessed valuations for natural gas pipelines.

Program expenses decreased \$1,338,000 from the prior year. The decrease is primarily due to changes in pension expense. The day to day operational costs of the School District remain consistent with the prior year.

The Statement of Activities shows the cost of program services and the charges for services and sales, grants, contributions, and interest earnings offsetting those services. Table 3 shows the total cost of services and the net cost of services. That is, it identifies the cost of those services supported by tax revenue and unrestricted state entitlements.

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Noble Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
 Unaudited

Table 3 - Cost of Services

| | Total Cost of Services | Net Cost of Services | Total Cost of Services | Net Cost of Services |
|--|---------------------------|-------------------------|---------------------------|-------------------------|
| | 2022 | 2022 | 2021 | 2021 |
| Program Expenses | | | | |
| Instruction: | | | | |
| Regular | \$6,304,454 | \$5,776,469 | \$7,110,159 | \$5,614,246 |
| Special | 2,083,450 | 1,645,060 | 1,959,486 | 1,414,530 |
| Vocational | 795,180 | 486,985 | 773,533 | 725,518 |
| Intervention | 13,668 | 13,013 | 15,785 | (1,617) |
| Support Services: | | | | |
| Pupils | 964,827 | 904,892 | 959,076 | 827,773 |
| Instructional Staff | 507,155 | 396,811 | 318,520 | 192,823 |
| Board of Education | 77,742 | 69,599 | 79,389 | 51,963 |
| Administration | 1,334,304 | 1,226,634 | 1,400,723 | 1,271,569 |
| Fiscal | 864,326 | 864,326 | 882,273 | 875,273 |
| Business | 19,238 | 19,238 | 19,050 | 19,050 |
| Operation and Maintenance of Plant | 1,630,408 | 608,591 | 2,223,135 | 2,136,712 |
| Pupil Transportation | 1,404,559 | 1,359,559 | 1,254,624 | 1,178,238 |
| Central | 86,239 | 86,239 | 125,570 | 77,462 |
| Operation of Non-Instructional Services: | | | | |
| Food Service Operations | 680,250 | (55,734) | 661,199 | 154,749 |
| Other Non-Instructional Services | 3,750 | 3,750 | 273,647 | (16,319) |
| Extracurricular Activities | 422,116 | 290,281 | 472,885 | 368,159 |
| Interest and Fiscal Charges | 744 | 744 | 1,356 | 1,356 |
| Total | \$17,192,410 | \$13,696,457 | \$18,530,410 | \$14,891,485 |

The dependence upon tax revenues and state subsidies for governmental activities is apparent, as 80 percent of program expenses are supported through taxes, unrestricted grants and entitlements, and other general revenues.

The School District Funds

The School District's governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$26,735,345 and expenditures of \$22,024,789. The School District continued to focus its efforts to monitor expenditures, with modest increases in supply and purchased services budgets, as well as maintaining current personnel staffing levels. The General Fund increased its fund balance by \$2,393,490 while making \$6,028,056 of transfers out to the Permanent Improvement Capital Projects Fund and other governmental funds. The Permanent Improvement Capital Projects Fund had a \$2,510,385 increase in fund balance as the General Fund continues to transfer cash to fund current and future capital projects.

General Fund Budgeting Highlights

The School 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.

Noble Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
 Unaudited

During the course of fiscal year 2022, the School District amended its General Fund budget. The School District uses a modified site-based budgeting technique which is designed to tightly control total site budgets but provide flexibility for site management.

For the General Fund, budget basis revenue was \$24,470,208. Original estimated revenues were reduced \$1,250,215 when the School District realized that property taxes, and tuition and fees revenue were being collected at an amount less than originally anticipated. Actual revenues were \$126,391 above final budget estimated revenues of \$24,343,817. Actual expenditures of \$15,468,161 were \$20,614 below the final expenditure estimates of \$15,488,775. Original appropriations were increased, as necessary, in the amount of \$3,764,807. Final budgeted amounts more closely reflected actual expenditures.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2022, the School District had \$25,540,417 invested in capital assets. See Note 10 for more detailed information. Table 4 shows fiscal year 2022 balances compared to 2021.

Table 4
 Capital Assets
 (Net of Depreciation)

| | 2022 | 2021 |
|-------------------------------------|--------------|--------------|
| Land | \$664,213 | \$664,213 |
| Construction in Progress | 4,630,610 | 1,303,305 |
| Land Improvements | 753,732 | 1,042,321 |
| Buildings and Improvements | 15,313,088 | 15,003,719 |
| Furniture and Equipment | 3,196,801 | 2,847,769 |
| Intangible Right to Use - Equipment | 13,213 | 25,408 |
| Vehicles | 968,760 | 818,071 |
| Totals | \$25,540,417 | \$21,704,806 |

Debt

During fiscal year 2022, the School District had the following changes in long-term debt obligations:

| | 2022 | 2021 |
|---|----------|----------|
| 2012 Energy Conservation Improvement Bonds: | | |
| Term Bonds - 1.00% - 2.70% | \$0 | \$50,000 |
| Premium on Bonds | 0 | 690 |
| Total Bonds | 0 | 50,690 |
| Leases Payable | 13,546 | 25,408 |
| Totals | \$13,546 | \$76,098 |

See Note 16 to the basic financial statements for more information on debt.

Noble Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
Unaudited

Current Issues

In fiscal years 2016 through 2022, revenues exceeded expenditures significantly due to the increases in property and public utility property tax collections. In fiscal year 2017, the School District approved a \$4 million transfer from the General Fund to the Permanent Improvement Capital Projects Fund in order to provide for a heating, ventilation, and air conditioning project at the elementary school, a parking lot project at the high school, a track improvement project, and several technology upgrades. In fiscal year 2018, the School District approved a \$4 million transfer from the General Fund to the Permanent Improvement Capital Projects Fund in order to provide for a heating, ventilation, and air conditioning project at the high school, a gymnasium renovation project at the elementary school, and several campus-wide projects including exterior lighting, communications systems, and technology purchases. In fiscal year 2019, the School District approved a \$4 million transfer from the General Fund to the Permanent Improvement Capital Projects Fund to provide for renovations to the high school including the science, robotics, industrial arts, home economics, and agricultural laboratories, the gymnasium, the wastewater treatment plant, and a greenhouse. In fiscal year 2020, the School District approved a \$4 million transfer from the General Fund to the Permanent Improvement Capital Projects Fund to provide for a weight room addition at the high school and for kitchen renovations at both the elementary and high school. In fiscal year 2021, the School District approved a \$4 million transfer from the General Fund to the Permanent Improvement Capital Projects Fund to provide for a new playground facility at the elementary/middle school complex, district-wide technology upgrades including equipment and network expansion, and continued renovations at the high school including the auditorium, front hall classrooms, locker rooms, and entryway/office areas. In fiscal year 2022, the School District approved a \$6 million transfer from the General Fund to the Permanent Improvement Capital Projects Fund to provide for stadium repairs, district-wide heating, ventilation, air conditioning, variable air volume, pipeline, and controls improvements, district-wide parking lot and roof/gutter repairs, continued renovations at the elementary/middle school complex including structural foundation repairs, classroom improvements, and a security entrance/office area, and continued renovations at the high school including creation of a medical pathways classroom and door replacements.

The School District's current five-year forecast projects revenue surplus and positive cash balances in fiscal year 2023 with deficit spending each year thereafter and causing a declining fund balance. The five-year forecast assumes implementation of the Fair School Funding Plan (FSFP) adopted by Ohio starting in fiscal year 2022, increased expenditures in payroll and benefits, increased expenditures for expansion of the preschool, career technology, and special education programs, decreased public utility personal property valuations due to normal depreciation and valuation appeals, and continued transfers to the Permanent Improvement Capital Projects Fund. In order to mitigate the current deficit spending trend, the School District is carefully considering whether to reduce transfers to the Permanent Improvement Capital Projects Fund.

The School District has 4.7 inside mills and 25.8 outside mills for a total of 30.5 mills. The School District's outside millage is based on three continuing levies from May 1968 (voted 5 mills), November 1969 (voted 11.8 mills), and November 1992 (voted 9 mills). In November 2010, a levy was placed on the ballot for renovations to the elementary school, construction of a new high school, and general operations within the School District. The levy failed and no levies have been placed on the ballot since that time. There currently are no plans to place any levies on the ballot.

Noble Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2022
Unaudited

In July 2012, the Board of Education's request for participation in the State Credit Enhancement Program created under Ohio Revised Code Section 3317.18 was approved by the Ohio Department of Education. The School District issued \$720,000 in energy conservation improvement bonds, dated August 15, 2012, for the purpose of upgrading inefficient systems and reducing energy and operating costs at both the high school complex and the middle/elementary school complex. The School District repaid that debt as scheduled with the only exception being the early retirement of the remaining callable bonds in December 2019 amounting to \$325,000. The final bond of \$50,000 was paid December of 2021.

The Board of Education and administration of the School District continue to monitor revenues and expenditures diligently to ensure long-term financial stability.

Contacting the School District's Financial Management

This financial report is designed to provide our citizen's, taxpayers, and investors and creditors with a general overview of the School District's finances and to show the School District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact Trena Heddleson, Treasurer/CFO at Noble Local School District, 20977 Zep Road East, Sarahsville, Ohio 43779-9702.

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Noble Local School District, Ohio

Statement of Net Position

June 30, 2022

| | <u>Governmental Activities</u> |
|---|------------------------------------|
| Assets | |
| Equity in Pooled Cash and Cash Equivalents | \$27,855,969 |
| Cash and Cash Equivalents with Fiscal Agent | 3,069,551 |
| Inventory Held for Resale | 5,655 |
| Materials and Supplies Inventory | 28,483 |
| Intergovernmental Receivable | 790,727 |
| Prepaid Items | 135,940 |
| Accounts Receivable | 43,754 |
| Property Taxes Receivable | 16,524,698 |
| Net OPEB Asset | 909,553 |
| Nondepreciable Capital Assets | 5,294,823 |
| Depreciable Capital Assets, Net | <u>20,245,594</u> |
| <i>Total Assets</i> | <u>74,904,747</u> |
| Deferred Outflows of Resources | |
| Pension | 3,426,194 |
| OPEB | <u>450,194</u> |
| <i>Total Deferred Outflows of Resources</i> | <u>3,876,388</u> |
| Liabilities | |
| Accounts Payable | 111,186 |
| Accrued Wages and Benefits Payable | 1,316,044 |
| Contracts Payable | 9,363 |
| Retainage Payable | 87,674 |
| Intergovernmental Payable | 295,736 |
| Vacation Benefits Payable | 106,600 |
| Claims Payable | 375,400 |
| Long-Term Liabilities: | |
| Due Within One Year | 66,907 |
| Due In More Than One Year: | |
| Net Pension Liability | 7,308,145 |
| Net OPEB Liability | 950,449 |
| Other Amounts | <u>1,008,748</u> |
| <i>Total Liabilities</i> | <u>11,636,252</u> |
| Deferred Inflows of Resources | |
| Property Taxes | 10,247,263 |
| Pension | 5,757,703 |
| OPEB | <u>1,585,544</u> |
| <i>Total Deferred Inflows of Resources</i> | <u>17,590,510</u> |
| Net Position | |
| Net Investment in Capital Assets | 25,439,834 |
| Restricted for: | |
| Unclaimed Monies | 401 |
| State Programs | 97 |
| Local Initiatives | 3,048 |
| Student Activities | 74,788 |
| Scholarships | 1,007 |
| Unrestricted | <u>24,035,198</u> |
| <i>Total Net Position</i> | <u>\$49,554,373</u> |

See accompanying notes to the basic financial statements

Noble Local School District, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2022

| | Expenses | Program Revenues | | | Net (Expense) |
|---|---------------------|--------------------------------------|--|--|---|
| | | Charges for Services and Sales | Operating Grants, Contributions and Interest | Capital Grants and Contributions | Revenue and Changes in Net Position |
| | | | | | Governmental Activities |
| Governmental Activities | | | | | |
| Instruction: | | | | | |
| Regular | \$6,304,454 | \$422,911 | \$28,903 | \$76,171 | (\$5,776,469) |
| Special | 2,083,450 | 0 | 438,390 | 0 | (1,645,060) |
| Vocational | 795,180 | 0 | 11,828 | 296,367 | (486,985) |
| Intervention | 13,668 | 0 | 655 | 0 | (13,013) |
| Support Services: | | | | | |
| Pupils | 964,827 | 1,525 | 58,410 | 0 | (904,892) |
| Instructional Staff | 507,155 | 28,217 | 82,127 | 0 | (396,811) |
| Board of Education | 77,742 | 8,143 | 0 | 0 | (69,599) |
| Administration | 1,334,304 | 0 | 107,670 | 0 | (1,226,634) |
| Fiscal | 864,326 | 0 | 0 | 0 | (864,326) |
| Business | 19,238 | 0 | 0 | 0 | (19,238) |
| Operation and Maintenance of Plant | 1,630,408 | 40 | 19,112 | 1,002,665 | (608,591) |
| Pupil Transportation | 1,404,559 | 0 | 0 | 45,000 | (1,359,559) |
| Central | 86,239 | 0 | 0 | 0 | (86,239) |
| Operation of Non-Instructional Services: | | | | | |
| Food Service Operations | 680,250 | 63,837 | 672,147 | 0 | 55,734 |
| Other Non-Instructional Services | 3,750 | 0 | 0 | 0 | (3,750) |
| Extracurricular Activities | 422,116 | 131,804 | 31 | 0 | (290,281) |
| Interest and Fiscal Charges | 744 | 0 | 0 | 0 | (744) |
| Totals | \$17,192,410 | \$656,477 | \$1,419,273 | \$1,420,203 | (13,696,457) |
| General Revenues | | | | | |
| Property Taxes Levied for General Purposes | | | | | 16,872,565 |
| Payments in Lieu of Taxes | | | | | 99,891 |
| Grants and Entitlements not Restricted to Specific Programs | | | | | 6,790,862 |
| Investment Earnings | | | | | (39,323) |
| Gifts and Donations | | | | | 79,727 |
| Miscellaneous | | | | | 39,981 |
| <i>Total General Revenues</i> | | | | | <u>23,843,703</u> |
| <i>Change in Net Position</i> | | | | | 10,147,246 |
| <i>Net Position Beginning of Year</i> | | | | | <u>39,407,127</u> |
| <i>Net Position End of Year</i> | | | | | <u><u>\$49,554,373</u></u> |

See accompanying notes to the basic financial statements

Noble Local School District, Ohio

Balance Sheet

Governmental Funds

June 30, 2022

| | General | Permanent Improvement | Other Governmental Funds | Total Governmental Funds |
|--|---------------------|--------------------------|--------------------------------|--------------------------------|
| Assets | | | | |
| Equity in Pooled Cash and Cash Equivalents | \$20,668,862 | \$6,907,053 | \$201,979 | \$27,777,894 |
| Receivables: | | | | |
| Property Taxes | 16,524,698 | 0 | 0 | 16,524,698 |
| Accounts | 43,675 | 0 | 79 | 43,754 |
| Intergovernmental | 16,105 | 0 | 774,622 | 790,727 |
| Interfund | 828,244 | 0 | 0 | 828,244 |
| Prepaid Items | 135,558 | 0 | 382 | 135,940 |
| Inventory Held for Resale | 0 | 0 | 5,655 | 5,655 |
| Materials and Supplies Inventory | 25,842 | 0 | 2,641 | 28,483 |
| Restricted Assets: | | | | |
| Equity in Pooled Cash and Cash Equivalents | 401 | 77,674 | 0 | 78,075 |
| <i>Total Assets</i> | <u>\$38,243,385</u> | <u>\$6,984,727</u> | <u>\$985,358</u> | <u>\$46,213,470</u> |
| Liabilities, Deferred Inflows of Resources, and Fund Balances | | | | |
| Liabilities | | | | |
| Accounts Payable | \$79,981 | \$7,998 | \$23,207 | \$111,186 |
| Contracts Payable | 0 | 9,363 | 0 | 9,363 |
| Accrued Wages and Benefits Payable | 1,273,394 | 0 | 42,650 | 1,316,044 |
| Retainage Payable | 0 | 77,674 | 10,000 | 87,674 |
| Interfund Payable | 0 | 0 | 828,244 | 828,244 |
| Intergovernmental Payable | 286,344 | 0 | 9,392 | 295,736 |
| <i>Total Liabilities</i> | <u>1,639,719</u> | <u>95,035</u> | <u>913,493</u> | <u>2,648,247</u> |
| Deferred Inflows of Resources | | | | |
| Property Taxes | 10,247,263 | 0 | 0 | 10,247,263 |
| Unavailable Revenue | 1,185,143 | 0 | 515,355 | 1,700,498 |
| <i>Total Deferred Inflows of Resources</i> | <u>11,432,406</u> | <u>0</u> | <u>515,355</u> | <u>11,947,761</u> |
| Fund Balances | | | | |
| Nonspendable | 161,801 | 0 | 3,023 | 164,824 |
| Restricted | 0 | 0 | 82,596 | 82,596 |
| Committed | 500,000 | 2,551,420 | 0 | 3,051,420 |
| Assigned | 134,772 | 4,338,272 | 0 | 4,473,044 |
| Unassigned (Deficit) | 24,374,687 | 0 | (529,109) | 23,845,578 |
| <i>Total Fund Balances (Deficit)</i> | <u>25,171,260</u> | <u>6,889,692</u> | <u>(443,490)</u> | <u>31,617,462</u> |
| <i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i> | <u>\$38,243,385</u> | <u>\$6,984,727</u> | <u>\$985,358</u> | <u>\$46,213,470</u> |

See accompanying notes to the basic financial statements

Noble Local School District, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 June 30, 2022*

| | | |
|--|-------------|---------------------|
| Total Governmental Fund Balances | | \$31,617,462 |
| <i>Amounts reported for governmental activities in 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. | | 25,540,417 |
| Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the funds: | | |
| Delinquent Property Taxes | 1,130,414 | |
| Intergovernmental Revenues | 515,322 | |
| Tuition and Fees | 53,144 | |
| Miscellaneous | 1,618 | 1,700,498 |
| An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal fund are included in governmental activities in the statement of net position. | | 2,694,151 |
| The net OPEB asset and net pension/OPEB liability are not due and payable in the current period; therefore, the asset, liability, and related deferred inflows/outflows are not reported in the governmental funds: | | |
| Net OPEB Asset | 909,553 | |
| Deferred Outflows - Pension | 3,426,194 | |
| Deferred Inflows - Pension | (5,757,703) | |
| Net Pension Liability | (7,308,145) | |
| Deferred Outflows - OPEB | 450,194 | |
| Deferred Inflows - OPEB | (1,585,544) | |
| Net OPEB Liability | (950,449) | (10,815,900) |
| Vacation Benefits Payable is recognized for earned vacation benefits that are to be used within one year but is not recognized on the balance sheet until due. | | (106,600) |
| Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds: | | |
| Lease Payable | (13,546) | |
| Sick Leave Benefits Payable | (1,062,109) | (1,075,655) |
| Net Position of Governmental Activities | | \$49,554,373 |

See accompanying notes to the basic financial statements

Noble Local School District, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2022

| | General | Permanent Improvement | Other Governmental Funds | Total Governmental Funds |
|---|---------------------|--------------------------|--------------------------------|--------------------------------|
| Revenues | | | | |
| Property Taxes | \$16,463,753 | \$0 | \$0 | \$16,463,753 |
| Intergovernmental | 6,861,159 | 0 | 2,608,393 | 9,469,552 |
| Investment Earnings | (53,820) | 0 | 49 | (53,771) |
| Charges for Services | 0 | 0 | 105,087 | 105,087 |
| Tuition and Fees | 400,454 | 0 | 0 | 400,454 |
| Extracurricular Activities | 14,286 | 0 | 117,518 | 131,804 |
| Rent | 40 | 0 | 0 | 40 |
| Gifts and Donations | 9,846 | 0 | 69,881 | 79,727 |
| Payments in Lieu of Taxes | 99,891 | 0 | 0 | 99,891 |
| Miscellaneous | 32,443 | 0 | 6,365 | 38,808 |
| <i>Total Revenues</i> | <u>23,828,052</u> | <u>0</u> | <u>2,907,293</u> | <u>26,735,345</u> |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 6,045,054 | 253,064 | 101,332 | 6,399,450 |
| Special | 1,677,200 | 0 | 396,676 | 2,073,876 |
| Vocational | 782,954 | 249,734 | 302,690 | 1,335,378 |
| Student Intervention | 6,624 | 0 | 7,044 | 13,668 |
| Support Services: | | | | |
| Pupils | 891,307 | 0 | 100,249 | 991,556 |
| Instructional Staff | 334,385 | 0 | 179,119 | 513,504 |
| Board of Education | 66,946 | 0 | 18,026 | 84,972 |
| Administration | 1,265,330 | 0 | 122,260 | 1,387,590 |
| Fiscal | 875,443 | 0 | 0 | 875,443 |
| Business | 19,238 | 0 | 0 | 19,238 |
| Operation and Maintenance of Plant | 1,520,274 | 1,045,196 | 1,014,367 | 3,579,837 |
| Pupil Transportation | 1,559,381 | 0 | 45,000 | 1,604,381 |
| Central | 72,742 | 0 | 13,497 | 86,239 |
| Operation of Non-Instructional Services: | | | | |
| Food Service Operations | 0 | 0 | 649,575 | 649,575 |
| Other Non-Instructional Services | 3,750 | 0 | 0 | 3,750 |
| Extracurricular Activities | 222,502 | 8,527 | 178,833 | 409,862 |
| Capital Outlay | 0 | 1,933,094 | 0 | 1,933,094 |
| Debt Service: | | | | |
| Principal Retirement | 61,862 | 0 | 0 | 61,862 |
| Interest and Fiscal Charges | 1,514 | 0 | 0 | 1,514 |
| <i>Total Expenditures</i> | <u>15,406,506</u> | <u>3,489,615</u> | <u>3,128,668</u> | <u>22,024,789</u> |
| <i>Excess of Revenues Over (Under) Expenditures</i> | <u>8,421,546</u> | <u>(3,489,615)</u> | <u>(221,375)</u> | <u>4,710,556</u> |
| Other Financing Source (Use) | | | | |
| Transfers In | 0 | 6,000,000 | 28,056 | 6,028,056 |
| Transfers Out | (6,028,056) | 0 | 0 | (6,028,056) |
| <i>Total Other Financing Source (Use)</i> | <u>(6,028,056)</u> | <u>6,000,000</u> | <u>28,056</u> | <u>0</u> |
| <i>Net Change in Fund Balance</i> | 2,393,490 | 2,510,385 | (193,319) | 4,710,556 |
| <i>Fund Balances (Deficit) Beginning of Year</i> | <u>22,777,770</u> | <u>4,379,307</u> | <u>(250,171)</u> | <u>26,906,906</u> |
| <i>Fund Balances (Deficit) End of Year</i> | <u>\$25,171,260</u> | <u>\$6,889,692</u> | <u>(\$443,490)</u> | <u>\$31,617,462</u> |

See accompanying notes to the basic financial statements

Noble Local School District, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2022*

Net Change in Fund Balances - Total Governmental Funds \$4,710,556

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

Governmental funds report capital outlays as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation:

| | | |
|-------------------------|--------------------|-----------|
| Capital Asset Additions | 5,191,091 | |
| Depreciation Expense | <u>(1,348,026)</u> | 3,843,065 |

Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on disposal of assets.

(7,454)

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

| | | |
|---------------------------|--------------|---------|
| Delinquent Property Taxes | 408,812 | |
| Grants | 160,791 | |
| Tuition and Fees | 19,092 | |
| Miscellaneous | <u>1,173</u> | 589,868 |

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position:

| | | |
|---------------------------|---------------|--------|
| Energy Conservation Bonds | 50,000 | |
| Leases | <u>11,862</u> | 61,862 |

Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of activities. Premiums are reported as revenues when the debt is first issued; however, these amounts are deferred and amortized on the statement of activities:

| | | |
|------------------|-----------|-----|
| Bond Premiums | 690 | |
| Interest Payable | <u>80</u> | 770 |

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

| | | |
|---------|---------------|-----------|
| Pension | 1,063,309 | |
| OPEB | <u>34,465</u> | 1,097,774 |

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.

| | | |
|---------|---------------|-----------|
| Pension | (225,139) | |
| OPEB | <u>33,570</u> | (191,569) |

Some expenses reported on the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

| | | |
|-----------------------------|--------------|----------|
| Vacation Benefits Payable | (14,816) | |
| Sick Leave Benefits Payable | <u>2,270</u> | (12,546) |

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. The net change in net position of the internal service fund is reported with governmental activities.

54,920

Change in Net Position of Governmental Activities

\$10,147,246

See accompanying notes to the basic financial statements

Noble Local School District, Ohio
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2022*

| | Budgeted Amounts | | Actual | Variance with Final Budget Positive (Negative) |
|---|------------------|--------------|--------------|---|
| | Original | Final | | |
| Revenues | | | | |
| Property Taxes | \$18,222,171 | \$17,032,549 | \$17,032,549 | \$0 |
| Intergovernmental | 5,541,211 | 6,755,383 | 6,857,174 | 101,791 |
| Investment Earnings | 94,000 | 33,000 | 32,417 | (583) |
| Tuition and Fees | 1,659,850 | 374,670 | 400,454 | 25,784 |
| Estracurricular Activities | 9,300 | 16,850 | 16,852 | 2 |
| Rent | 0 | 40 | 40 | 0 |
| Gifts and Donations | 40,400 | 2,000 | 1,963 | (37) |
| Payments in Lieu of Taxes | 18,000 | 100,000 | 99,891 | (109) |
| Miscellaneous | 9,100 | 29,325 | 28,868 | (457) |
| <i>Total Revenues</i> | 25,594,032 | 24,343,817 | 24,470,208 | 126,391 |
| Expenditures | | | | |
| Current: | | | | |
| Instruction: | | | | |
| Regular | 4,622,038 | 6,122,807 | 6,077,923 | 44,884 |
| Special | 1,193,659 | 1,576,967 | 1,643,849 | (66,882) |
| Vocational | 585,379 | 773,356 | 795,116 | (21,760) |
| Student Intervention | 2,581 | 3,410 | 6,625 | (3,215) |
| Support Services: | | | | |
| Pupils | 681,210 | 899,961 | 896,179 | 3,782 |
| Instructional Staff | 253,289 | 334,625 | 326,452 | 8,173 |
| Board of Education | 53,938 | 71,258 | 63,683 | 7,575 |
| Administration | 947,938 | 1,252,341 | 1,258,504 | (6,163) |
| Fiscal | 688,431 | 909,500 | 880,386 | 29,114 |
| Business | 15,517 | 20,500 | 19,238 | 1,262 |
| Operation and Maintenance of Plant | 1,247,202 | 1,647,704 | 1,597,894 | 49,810 |
| Pupil Transportation | 1,158,302 | 1,530,256 | 1,558,509 | (28,253) |
| Central | 61,425 | 81,150 | 72,742 | 8,408 |
| Operating of Non-Instructional Services | 3,648 | 4,820 | 4,251 | 569 |
| Extracurricular Activities | 157,911 | 208,620 | 216,310 | (7,690) |
| Debt Service: | | | | |
| Principal | 50,000 | 50,000 | 50,000 | 0 |
| Interest | 1,500 | 1,500 | 500 | 1,000 |
| <i>Total Expenditures</i> | 11,723,968 | 15,488,775 | 15,468,161 | 20,614 |
| <i>Excess of Revenues Over Expenditures</i> | 13,870,064 | 8,855,042 | 9,002,047 | 147,005 |
| Other Financing Sources (Uses) | | | | |
| Refund of Prior Year Expenditures | 194,451 | 0 | 0 | 0 |
| Transfers Out | (6,000,000) | (6,230,000) | (6,228,056) | 1,944 |
| <i>Total Other Financing Sources and Uses</i> | (5,805,549) | (6,230,000) | (6,228,056) | 1,944 |
| <i>Net Change in Fund Balance</i> | 8,064,515 | 2,625,042 | 2,773,991 | 148,949 |
| <i>Fund Balance Beginning of Year</i> | 17,879,859 | 17,879,859 | 17,879,859 | 0 |
| Prior Year Encumbrances Appropriated | 168,694 | 168,694 | 168,694 | 0 |
| <i>Fund Balance End of Year</i> | \$26,113,068 | \$20,673,595 | \$20,822,544 | \$148,949 |

See accompanying notes to the basic financial statements

Noble Local School District, Ohio
Statement of Fund Net Position
Internal Service Fund
June 30, 2022

| | <u>Medical, Dental, and Vision Self-Insurance</u> |
|---|---|
| Current Assets | |
| Cash and Cash Equivalents with Fiscal Agent | \$3,069,551 |
| Current Liabilities | |
| Claims Payable | <u>375,400</u> |
| Net Position | |
| Unrestricted | <u><u>\$2,694,151</u></u> |

See accompanying notes to the basic financial statements

Noble Local School District, Ohio
*Statement of Revenues,
Expenses and Changes in Fund Net Position
Internal Service Fund
For the Fiscal Year Ended June 30, 2022*

| | Medical, Dental, and Vision Self-Insurance |
|---------------------------------------|--|
| Operating Revenues | |
| Charges for Services | \$3,223,072 |
| Operating Expenses | |
| Purchased Services | 577,697 |
| Claims | 2,604,934 |
| <i>Total Operating Expenses</i> | 3,182,631 |
| <i>Operating Income</i> | 40,441 |
| Non-Operating Revenues: | |
| Interest | 14,479 |
| <i>Change in Net Position</i> | 54,920 |
| <i>Net Position Beginning of Year</i> | 2,639,231 |
| <i>Net Position End of Year</i> | \$2,694,151 |

See accompanying notes to the basic financial statements

Noble Local School District, Ohio
Statement of Cash Flows
Internal Service Fund
For the Fiscal Year Ended June 30, 2022

| | Medical, Dental, and Vision Self-Insurance |
|---|--|
| Increase (Decrease) in Cash and Cash Equivalents | |
| Cash Flows from Operating Activities: | |
| Cash Received from Transactions with Other Funds | \$3,223,072 |
| Cash Payments to Suppliers for Services | (577,697) |
| Cash Payments for Claims | (2,645,434) |
| <i>Net Cash Used for Operating Activities</i> | (59) |
| Cash Flows from Investing Activities: | |
| Interest | 14,479 |
| Net Increase in Cash and Cash Equivalents | 14,420 |
| <i>Cash and Cash Equivalents Beginning of Year</i> | 3,055,131 |
| <i>Cash and Cash Equivalents End of Year</i> | \$3,069,551 |
| Reconciliation of Operating Income to Net Cash Used for Operating Activities | |
| Operating Income | \$40,441 |
| Changes in Liabilities | |
| Decrease in Claims Payable | (40,500) |
| <i>Net Cash Used for Operating Activities</i> | (\$59) |
| See accompanying notes to the basic financial statements | |

Noble Local School District, Ohio

Statement of Net Position

Fiduciary Fund

June 30, 2022

| | <u>Private Purpose Trust</u> |
|--|--------------------------------------|
| Assets | |
| Equity in Pooled Cash and Cash Equivalents | <u>\$34,261</u> |
| Net Position | |
| Endowments | 33,500 |
| Held in Trust for Scholarships | <u>761</u> |
| <i>Total Net Position</i> | <u><u>\$34,261</u></u> |

See accompanying notes to the basic financial statements

Noble Local School District, Ohio
Statement of Changes in Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2022

| | Private Purpose Trust |
|---------------------------------------|-----------------------------|
| Additions | |
| Interest | \$118 |
| Deductions | 0 |
| Change in Net Position | 118 |
| <i>Net Position Beginning of Year</i> | <i>34,143</i> |
| <i>Net Position End of Year</i> | <i>\$34,261</i> |

See accompanying notes to the basic financial statements

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Note 1 - Description of the School District and Reporting Entity

Noble Local School District (the School 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 School District operates under a locally-elected five-member Board form of government and provides educational services as mandated by State and federal agencies. This Board of Education controls the School District's two instructional/support facilities staffed by 51 classified employees and 82 certified full time teaching personnel who provide services to 1,107 students, including preschool, and other community members.

Reporting Entity

The reporting entity is composed of the primary government, component units, and other organizations that are included to ensure that the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For the School District, this includes general operations, food service, and student related activities of the School District.

Component units are legally separate organizations for which the School District is financially accountable. The School District is financially accountable for an organization if the School District appoints a voting majority of the organization's governing board and (1) the School District is able to significantly influence the programs or services performed or provided by the organization; or (2) the School District is legally entitled to or can otherwise access the organization's resources; the School District is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the School District is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the School District in that the School District approves the budget, the issuance of debt, or the levying of taxes, and there is a potential for the organization to provide specific financial benefit to, or impose specific financial burdens on, the primary government. No separate governmental units meet the criteria for inclusion as a component unit.

The School District participates in the Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (OME-RESA), the Mid-East Career and Technology Centers, the Coalition of Rural and Appalachian Schools, and the Ohio Coalition for Equity and Adequacy of School Funding, which are defined as jointly governed organizations; the Ohio School Boards Association Workers' Compensation Group Rating Plan, which is defined as an insurance purchasing pool; and the South Central Ohio Insurance Consortium (SCOIC) and the Schools of Ohio Risk Sharing Authority (SORSA), which are defined as risk sharing, claims servicing, and insurance purchasing pools. These organizations are presented in Notes 18, 19, and 20 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (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 more significant of the School District's accounting policies are described as follows.

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Basis of Presentation

The School District's basic financial statements consist of government-wide statements, including a Statement of Net Position and a Statement of Activities, and fund financial statements which provide a more detailed level of financial information.

Government-wide Financial Statements The Statement of Net Position and the Statement of Activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for the fiduciary funds. The activity of the internal service fund is eliminated to avoid "doubling up" revenues and expenses. The statements usually distinguish between those activities that are governmental in nature and those that are considered business-type activities. Governmental activities generally are financed through taxes, intergovernmental receipts, or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. The School District has no business-type activities.

The Statement of Net Position presents the financial condition of the governmental activities of the School District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the School 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; grants and contributions that are restricted to meeting the operational or capital requirements of a particular program; and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

Fund Financial Statements During the fiscal year, the School District segregates transactions related to certain School District functions or activities in separate funds in order to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the School District at this more detailed level. The focus of governmental fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. The internal service fund is presented in a single column on the face of the proprietary fund statements. Fiduciary funds are reported by type.

Fund Accounting

The School District uses funds to maintain its financial records during the fiscal year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain functions or activities. A fund is a fiscal and accounting entity with a self-balancing set of accounts. The School District classifies each fund as either governmental, proprietary, or fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses, and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. The difference between governmental fund assets and deferred outflows of resources, and liabilities and deferred inflows of resources is reported as fund balance. The following are the School District's major governmental funds:

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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

Permanent Improvement Fund - This fund accounts for acquisition, construction, or improvement of capital facilities of governmental activities.

The nonmajor governmental funds of the School District account for grants and other resources whose use is restricted to a particular purpose.

Proprietary Funds Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as enterprise or internal service. The School District's only proprietary fund type is an Internal Service Fund.

Internal Service Fund - The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis. The School District's only internal service fund accounts for the operations of the self-insurance program for employee medical, dental, and vision claims.

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) 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 arrangement that has certain characteristics. The School District's private purpose trust fund accounts for programs that provide college scholarships to students. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund.

Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the School District are included on the Statement of Net Position. The Statement of Activities accounts for increases (i.e. revenues) and decreases (i.e. expenses) in total net position.

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide 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.

Like the government-wide statements, all proprietary and fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the Statement of Fund Net Position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus. For proprietary funds, the Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

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

Basis of Accounting

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, the recording of deferred outflows/inflows of resources, and in the presentation of expenses versus expenditures.

Revenues - Exchange and Non-Exchange Transactions Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year end.

Nonexchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes and grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied (See Note 8). Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted; matching requirements, in which the School District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the School District on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, investment earnings, tuition, grants, fees, and rentals. Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because such amounts have not yet been earned.

Expenses/Expenditures On the accrual basis of accounting, expenses are recognized at the time they are incurred.

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.

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes 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. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB plans. The deferred outflows of resources related to pension and OPEB are explained in Notes 13 and 14.

In addition to liabilities, the statements of financial position 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 until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB plans, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2022, but which were levied to finance fiscal year 2023 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, intergovernmental revenues, student fees, and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities found on page 18. Deferred inflows of resources related to pension and OPEB are reported on the government-wide statement of net position. (See Notes 13 and 14)

Budgetary Process

All funds, other than custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution, and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate.

The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level for all funds of the School District. Any budgetary modifications at this level may only be made by resolution of the Board of Education. The treasurer has been authorized to further allocate appropriations to the function and object level within each fund. Advances in/out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the Treasurer. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificate of estimated resources in effect at the time final appropriations were passed by the Board.

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

The appropriation resolution is subject to amendment by the Board of Education throughout the year with the restriction that appropriations may not exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation for that fund that covered the entire fiscal year, including amounts automatically carried over from the prior fiscal year. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Board of Education during the fiscal year.

Cash and Cash Equivalents

To improve cash management, cash received by the School District is pooled. Monies for all funds are maintained in this pool. Individual fund integrity is maintained through the School District's records. Interest in the pool is presented as "equity in pooled cash and cash equivalents" on the financial statements. The School District participates in the South Central Ohio Insurance Consortium for self-insurance. These monies are held separate from the School District's central bank account and are reflected in the financial statements as "cash and cash equivalents with fiscal agents".

During fiscal year 2022, the School District's investments were limited to money market mutual funds and negotiable certificates of deposit, which are stated at fair value.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue debited to the General Fund during fiscal year 2022 amounted to (\$53,820), which includes (\$16,548) assigned from other School District funds.

Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments.

Inventory

Inventories are presented at cost on a first-in, first-out basis and are expensed/expensed when used. Inventories consist of expendable supplies held for consumption and donated and purchased food held for resale.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2022, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

Capital Assets

The School District's capital assets are general capital assets generally resulting from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide statement of net position but are not reported on the fund financial statements.

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

All capital assets (except for intangible right-to-use lease assets which are discussed as follows) are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. The School District was able to estimate the historical cost for the initial reporting of certain assets by back trending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated fixed assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset’s life are not capitalized.

All reported capital assets, except land and construction in progress, are depreciated. Improvements are depreciated over the remaining useful lives of the related capital assets. Depreciation is computed using the straight-line method over the following useful lives:

| Description | Estimated Lives |
|----------------------------|-----------------|
| Land Improvements | 5 years |
| Buildings and Improvements | 20-50 years |
| Furniture and Equipment | 5-15 years |
| Vehicles | 10 years |

The School District is reporting intangible right to use assets related to leased equipment. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, these intangible assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Restricted Assets

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other government or imposed by law through constitutional provisions or enabling legislation. Restricted assets on the Governmental Balance Sheet represent unclaimed monies not available for appropriation and amounts withheld on construction contracts until the successful completion of the contracts.

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated vacation leave after an employee’s anniversary hire date. The liability for vacation benefits is recorded as “vacation benefits payable”, rather than long-term liabilities, as the balances are to be used by employees in the fiscal year following the fiscal year in which the benefit was earned.

Sick leave benefits are accrued as a liability using the termination method. An accrual for earned sick leave is made to the extent it is probable that benefits will result in termination payments. The liability is an estimate based on the School District’s past experience of making termination payments.

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Bond Premium

On government-wide financial statement, bond premiums are amortized over the term of the bonds using the straight-line method, which approximates effective interest method. Bond premiums are presented as an addition of the face amount of the bonds. On the governmental fund statements, bond premiums are recorded in the fiscal year the bonds are issued.

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Bonds and capital leases are recognized as a liability on the governmental fund financial statements when due. 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. Bonds, leases, and long-term loans are recognized as a liability on the governmental fund financial statements when due.

Internal Activity

Transfers within governmental activities are eliminated on the government-wide statements. Internal allocations of overhead expenses from one program to another or within the same program are eliminated on the Statement of Activities.

Payments for interfund services provided and used are not eliminated. Exchange transactions between funds are reported as revenues in the seller funds and as expenditures/expenses in the purchaser funds. Flows of cash or goods from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

Fund Balance

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

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

Restricted The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or is imposed by law through constitutional provisions.

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action (resolution) of the School District Board of Education. Those committed amounts cannot be used for any other purpose unless the School 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 the use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or 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 the School District Board of Education or a School District official delegated that authority by resolution or State Statute. State statute authorizes the School District's Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

Unassigned The unassigned fund balance is the residual classification for the General Fund and includes amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing 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 external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

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

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB liability (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.

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary fund. For the School District, these revenues are charges for services for self-insurance programs. Operating expenses are necessary costs incurred to provide the good or service that are the primary activity of the fund. Revenues and expenses not meeting this definition are reported as non-operating.

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred in the fiscal year.

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.

Note 3 - Change in Accounting Principle and Restatement of Fund Balances and Net Position

For fiscal year 2022, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, Leases and related guidance from (GASB) Implementation Guide No. 2019-3, *Leases*.

GASB Statement 87 enhances the relevance and consistency of information of the government's leasing activities. It establishes requirements for lease accounting based on the principle that leases are financings of the right to use an underlying asset. A lessee is required to recognize a lease liability and an intangible right to use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. These changes were incorporated in the School District's 2022 financial statements. The School District recognized \$25,408 in leases payable at July 1, 2021 which was offset by the intangible asset, right to use lease – equipment.

The School District is also implementing *Implementation Guide No. 2020-1*, GASB Statement No. 92 – *Omnibus 2020*, and GASB Statement No. 97 -- *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Among other items, GASB 97 requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan. These changes were incorporated in the School District's 2022 financial statements; however, there was no effect on beginning net position/fund balance.

For fiscal year 2022, the School District modified its approach related to the eligibility requirements of certain School District grants; however, there was no effect on beginning net position/fund balance.

Note 4 - Fund Balances

Fund balance is classified as nonspendable, restricted, committed, assigned, and/or unassigned based primarily on the extent to which the School District is bound to observe constraints imposed upon the use of the resources in governmental funds. The constraints placed on fund balance for the major governmental funds and all other governmental funds are presented as follows:

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

| Fund Balances | General Fund | Permanent Improvement | Other Governmental Funds | Total |
|--------------------------------------|---------------------|--------------------------|--------------------------------|---------------------|
| Nonspendable: | | | | |
| Prepays | \$135,558 | \$0 | \$382 | \$135,940 |
| Unclaimed Monies | 401 | 0 | 0 | 401 |
| Materials and Supplies Inventory | 25,842 | 0 | 2,641 | 28,483 |
| <i>Total Nonspendable</i> | <u>161,801</u> | <u>0</u> | <u>3,023</u> | <u>164,824</u> |
| Restricted for: | | | | |
| Local Initiatives | 0 | 0 | 3,048 | 3,048 |
| State Programs | 0 | 0 | 97 | 97 |
| Scholarships | 0 | 0 | 1,007 | 1,007 |
| Student Activities | 0 | 0 | 78,444 | 78,444 |
| <i>Total Restricted</i> | <u>0</u> | <u>0</u> | <u>82,596</u> | <u>82,596</u> |
| Committed: | | | | |
| Construction Contracts | 0 | 2,551,420 | 0 | 2,551,420 |
| Termination Benefits | 500,000 | 0 | 0 | 500,000 |
| <i>Total Committed</i> | <u>500,000</u> | <u>2,551,420</u> | <u>0</u> | <u>3,051,420</u> |
| Assigned to: | | | | |
| Capital Improvements | 0 | 4,338,272 | 0 | 4,338,272 |
| Public School Support | 16,032 | 0 | 0 | 16,032 |
| Purchases on Order | 118,740 | 0 | 0 | 118,740 |
| <i>Total Assigned</i> | <u>134,772</u> | <u>4,338,272</u> | <u>0</u> | <u>4,473,044</u> |
| Unassigned (Deficit): | <u>24,374,687</u> | <u>0</u> | <u>(529,109)</u> | <u>23,845,578</u> |
| <i>Total Fund Balances (Deficit)</i> | <u>\$25,171,260</u> | <u>\$6,889,692</u> | <u>(\$443,490)</u> | <u>\$31,617,462</u> |

Note 5 - Fund Deficits

The Food Service, the District Managed Student Activities, the Elementary and Secondary Schools Emergency Relief, the Miscellaneous Federal Grants, and the Appalachian Regional Commission Grant Special Revenue Funds had deficit fund balances at fiscal year-end of \$2,500, \$3,656, \$183,294, \$312,217, and \$24,419, respectively. These deficits are the result of the recognition of payables in accordance with generally accepted accounting principles as well as short-term loans from the General Fund needed for operations until the receipt of grant monies. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Note 6 - Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations, and changes in fund balance/retained earnings 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, disbursements and encumbrances.

Noble Local School District, Ohio
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The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) 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 GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures (budget basis) rather than as an assignment of fund balance (GAAP basis).
4. Prepaid items, investment market value adjustments, and cash deficits are reported on the balance sheet (GAAP basis), but not on the budgetary basis.
5. Transfers out to for termination benefits are other financing uses on a budgetary basis but are combined with the General Fund for GAAP reporting.
6. Budgetary revenues and expenditures of the Public School Support Fund are reclassified to the General Fund for GAAP reporting.

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements for the General Fund:

| Net Change in Fund Balance | |
|--|-------------|
| | General |
| GAAP Basis | \$2,393,490 |
| Revenue Accruals | 56,206 |
| Expenditure Accruals | 146,365 |
| Market Value Adjustment: | |
| Beginning of Fiscal Year | 1,533 |
| End of Fiscal Year | 84,704 |
| Prepaid Items: | |
| Beginning of Fiscal Year | 80,166 |
| End of Fiscal Year | (135,558) |
| Cash Deficits | 511,723 |
| Transfers Out | (200,000) |
| To reclassify excess of expenditures over revenues into financial statement fund types | (3,910) |
| Encumbrances | (160,728) |
| Budget Basis | \$2,773,991 |

Noble Local School District, Ohio
Notes to the Basic Financial Statements
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Note 7 - Deposits and Investments

Monies held by the School District are classified by State statute into three categories.

Active deposits are public deposits necessary to be necessary to meet current demands upon the School District treasury. Active monies must be maintained either as cash in the School 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 that the Board of Education has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either 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 deposits must be evidenced by time certificates of deposit maturing not more than one year from the date of deposit or by savings or deposit accounts including passbook accounts.

Protection of the School District's 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 the repayment of all public monies deposited in the financial institution.

Interim monies held by the School District can 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 and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security 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 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 the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in (1)

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

or (2) 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 (STAR Ohio);
8. Certain bankers’ 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. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim moneys available for investment at the time of purchase.

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. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School 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.

At June 30, 2022, the School District’s internal service fund had a cash balance of \$3,069,551 with South Central Ohio Insurance Consortium, a claims servicing pool (See Note 20). The balance is held by the claims administrator in a pooled account which is representative of numerous entities and, therefore, cannot be included in the risk disclosures reported by the School District. Disclosures for the South Central Ohio Insurance Consortium as a whole may be obtained from the consortium’s fiscal agent.

Investments As of June 30, 2022, the School District had the following investments:

| Measurement/Investment | Measurement Amount | Maturity | Rating | Percent of Total Investments |
|------------------------------------|-----------------------|-----------------------|--------|---------------------------------|
| Fair Value - Level 1 Inputs | | | | |
| Money Market Mutual Fund | \$2,206,695 | N/A | N/A | 34.70% |
| Fair Value - Level 2 Inputs | | | | |
| Negotiable Certificates of Deposit | 4,156,296 | 09/19/2022-05/12/2025 | N/A | 65.30% |
| Total | \$6,362,991 | | | |

The School 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. The above chart identifies the School District’s recurring fair value measurements as of June 30, 2022.

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Note 8 - Property Taxes

Property taxes are levied and assessed on a calendar year basis while the School District's fiscal year runs from July through June. First half tax collections are received by the School District in the second half of the fiscal year. Second half tax distributions occur in the first half of the following fiscal year.

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar 2022 represents collections of calendar year 2021 taxes. Real property taxes received in calendar year 2022 were levied after April 1, 2021, on the assessed value listed as of January 1, 2021, the lien date. Assessed values for real property taxes are established by State statute at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2022 represents collections of calendar year 2022 taxes. Public utility real property taxes received in calendar year 2022 became a lien December 31, 2020, were levied after April 1, 2021 and are collected with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Guernsey, Monroe, and Noble Counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2022, are available to finance fiscal year 2022 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility taxes which are measurable as of June 30, 2022, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reflected as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources - property taxes.

The amount available as an advance at June 30, 2022, was \$5,147,021 and is recognized as revenue in the General Fund. The amount available as an advance at June 30, 2021, was \$5,715,817 in the General Fund.

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

The assessed values upon which the fiscal year 2022 taxes were collected are:

Noble Local School District, Ohio
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| | 2021 Second Half Collections | | 2022 First Half Collections | |
|--|---------------------------------|----------------|--------------------------------|----------------|
| | Amount | Percent | Amount | Percent |
| Agricultural/Residential | \$147,081,340 | 20.25% | \$143,999,660 | 24.10% |
| Commerical/Industrial and Public Utility Real | 66,677,120 | 9.18% | 43,518,240 | 7.28% |
| Public Utility Personal | 512,479,200 | 70.57% | 410,084,210 | 68.62% |
| | <u>\$726,237,660</u> | <u>100.00%</u> | <u>\$597,602,110</u> | <u>100.00%</u> |
| Tax Rate per \$1,000 of assessed valuation | | \$30.50 | | \$30.50 |

Note 9 - Receivables

Receivables at June 30, 2022, consisted of property taxes, accounts (billings for user charged services and student tuition and fees), interfund, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. Except for property taxes, all receivables are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be received within one year.

A summary of the principal items of intergovernmental receivables follows:

| | <u>Amounts</u> |
|--|------------------|
| Governmental Activities | |
| Title I-A Grant | \$112,518 |
| Title II-A Grant | 3,014 |
| Title IV-A Grant | 11,702 |
| IDEA-B Special Education Grant | 158,982 |
| ARP IDEA Part B Special Education Grant | 21,307 |
| Expanding Opportunities for Each Child Grant | 86 |
| School Bus Purchasing Grant | 45,000 |
| ESSER II Grant | 13,794 |
| ARP ESSER III Grant | 169,500 |
| Appalachian Regional Commission Grant | 233,517 |
| Ohio Bureau of Workers' Compensation Reimbursement | 1,618 |
| Foundation Adjustments | 14,520 |
| Food Service Breakfast and Lunch Reimbursements | 5,169 |
| Total | <u>\$790,727</u> |

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Note 10 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022, was as follows:

| | Balance 6/30/2021 | Additions | Deductions | Balance 6/30/2022 |
|---|----------------------|----------------------|------------------|----------------------|
| Nondepreciable Capital Assets: | | | | |
| Land | \$664,213 | \$0 | \$0 | \$664,213 |
| Construction in Progress | 1,303,305 | 3,327,305 | 0 | 4,630,610 |
| Total Capital Assets not being Depreciated | <u>1,967,518</u> | <u>3,327,305</u> | <u>0</u> | <u>5,294,823</u> |
| Depreciable Capital Assets: | | | | |
| Land Improvements | 3,143,044 | 0 | 0 | 3,143,044 |
| Buildings and Improvements | 22,057,175 | 1,009,383 | 0 | 23,066,558 |
| Furniture and Equipment | 3,654,228 | 562,740 | (41,676) | 4,175,292 |
| Vehicles | 1,889,761 | 291,663 | (175,536) | 2,005,888 |
| Intangible Right to Use Lease - Equipment | 25,408 | 0 | 0 | 25,408 |
| Total Capital Assets being Depreciated | <u>30,769,616</u> | <u>1,863,786</u> | <u>(217,212)</u> | <u>32,416,190</u> |
| Less Accumulated Depreciation/Amortization: | | | | |
| Land Improvements | (2,100,723) | (288,589) | 0 | (2,389,312) |
| Buildings and Improvements | (7,053,456) | (700,014) | 0 | (7,753,470) |
| Furniture and Equipment | (806,459) | (206,897) | 34,865 | (978,491) |
| Vehicles | (1,071,690) | (140,331) | 174,893 | (1,037,128) |
| Intangible Right to Use Lease - Equipment | 0 | (12,195) | 0 | (12,195) |
| Total Accumulated Depreciation | <u>(11,032,328)</u> | <u>(1,348,026) *</u> | <u>209,758</u> | <u>(12,170,596)</u> |
| Total Capital Assets being Depreciated, Net | <u>19,737,288</u> | <u>515,760</u> | <u>(7,454)</u> | <u>20,245,594</u> |
| Capital Assets, Net | <u>\$21,704,806</u> | <u>\$3,843,065</u> | <u>(\$7,454)</u> | <u>\$25,540,417</u> |

*Depreciation expense was charged to governmental functions as follows:

| | |
|------------------------------------|--------------------|
| Instruction: | |
| Regular | \$359,038 |
| Special | 66,125 |
| Vocational | 70,994 |
| Support Services: | |
| Pupils | 43,730 |
| Instructional Staff | 13,358 |
| Board of Education | 96 |
| Administration | 54,085 |
| Fiscal | 1,171 |
| Operation and Maintenance of Plant | 483,635 |
| Pupil Transportation | 134,703 |
| Food Service Operations | 45,674 |
| Extracurricular Activities | 75,417 |
| Total Depreciation Expense | <u>\$1,348,026</u> |

** Of the current year depreciation total of \$1,348,026, \$12,195 is presented as regular instruction expense on the Statement of Activities related to the School District's intangible assets of copier equipment, which is included as an Intangible Right to Use Lease. With the implementation of Governmental Accounting Standards Board Statement No. 87, *Leases*, a lease meeting the criteria of this statement requires the lessee to recognize the lease liability and an intangible right to use asset.

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Note 11 - Significant Commitments

A. Contractual Commitments

As of June 30, 2022, the School District has contractual purchase commitments as follows:

| Project | Fund | Contract Amount | Amount Expended | Balance at 6/30/2022 |
|--------------------------------|-----------------------|--------------------|--------------------|-------------------------|
| Phase IV Renovation Project | Permanent Improvement | \$2,308,105 | \$2,298,105 | \$10,000 |
| Phase IV Consulting Contract | Permanent Improvement | 41,147 | 40,467 | 680 |
| Agriculture Education Facility | Permanent Improvement | 2,184,290 | 1,977,865 | 206,425 |
| Phase V Project | Permanent Improvement | 29,525 | 2,777 | 26,748 |
| Trans./Main. Facility Project | Permanent Improvement | 152,550 | 114,767 | 37,783 |
| Total Contractual Commitments | | <u>\$4,715,617</u> | <u>\$4,433,981</u> | <u>\$281,636</u> |

B. Encumbrances

Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At fiscal year end, the amount of governmental encumbrances expected to be honored upon performance by the vendor in the next fiscal year were as follows:

| | |
|---|--------------------|
| General Fund | \$160,728 |
| Permanent Improvement Capital Projects Fund | 2,638,457 |
| Nonmajor Funds | <u>236,060</u> |
| Total | <u>\$3,035,245</u> |

Note 12 - Risk Management

A. Property and Liability

The School District was 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. During fiscal year 2022, the School District contracted with the Schools of Ohio Risk Sharing Authority (SORSA) for the following commercial coverage:

- Property and equipment breakdown;
- Crime;
- General liability
- Educators'
- Automobile liability

Blanket property and equipment coverage for fiscal year 2022 was \$350,000,000. The deductible was \$500. Crime coverage had a limit of \$1,000,000 per loss and a \$1,000 deductible.

Noble Local School District, Ohio
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General liability coverage included a \$17,000,000 aggregate limit and no deductible. Automobile liability coverage included liability, medical payments, uninsured motorists, underinsured motorists, comprehensive, and collision. Auto liability had a \$15,000,000 combined single limit of liability and no deductible.

Settled claims have not exceeded this commercial coverage in any of the past four years and there have been no significant reductions in insurance coverage from the prior fiscal year.

B. Workers' Compensation

For fiscal year 2022, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 20). 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 participating school districts is calculated as one experience and a common premium rate is applied to all school districts 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 school districts that can meet the GRP's selection criteria. The firm of CompManagement, Inc. provides administrative, cost control, and actuarial services to the GRP.

C. Employee Benefits

Medical/surgical, dental, and vision insurance is offered to employees through a self-insurance internal service fund. The School District is a member of a claims servicing pool in which monthly premiums are paid to the fiscal agent who in turn pays the claims on the School District's behalf. The claims liability of \$375,400 reported in the internal service fund at June 30, 2022, is based on an estimate by South Central Ohio Insurance Consortium and the application of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by the increased claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in claims activity for 2021 and 2022 were:

| | Beginning of Year | Current Year Claims | Claims Payments | Balance at End of Year |
|------|----------------------|------------------------|--------------------|---------------------------|
| 2021 | \$144,100 | \$2,157,700 | \$1,885,900 | \$415,900 |
| 2022 | 415,900 | 2,604,934 | 2,645,434 | 375,400 |

Note 13 - Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability

The net pension liability and the net OPEB liability (asset) reported on the statement of net position represent liabilities to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services.

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

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

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

Ohio Revised Code limits the School District’s obligation for this liability to annually required payments. The School District cannot control benefit terms or the manner in which pensions/OPEB are financed; however, the School 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 proportionate share of each plan’s unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 14 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

Plan Description – School District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, 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.

Noble Local School District, Ohio
Notes to the Basic Financial Statements
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Age and service requirements for retirement are as follows:

| | Eligible to Retire on or 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 Age 55 with 25 years of service credit | Age 62 with 10 years of service credit; or Age 60 with 25 years of service credit |

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

Annual retirement benefits are calculated based on final average salary multiplied by a percentage that varies based on years of service; 2.2 percent for the first thirty years of service and 2.5 percent 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 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 0.5 percent COLA for calendar year 2021.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent 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 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System’s funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2022, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2022, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District’s contractually required contribution to SERS was \$265,333 for fiscal year 2022. Of this amount \$29,636 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

Plan Description – School District licensed teachers and other faculty members participate in STRS Ohio, a cost-sharing multiple employer public employee 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 Web site at www.strsoh.org.

Noble Local School District, Ohio
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For the Fiscal Year Ended June 30, 2022

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of-living increases are not affected by this change. Eligibility changes will be phased in until August 1, 2026, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit and at least age 60.

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

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent 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 4.47 percent of the 14 percent 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 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent 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 that apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

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

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The School District's contractually required contribution to STRS was \$797,976 for fiscal year 2022. Of this amount \$118,640 is reported as an intergovernmental payable.

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

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

| | <u>SERS</u> | <u>STRS</u> | <u>Total</u> |
|--|--------------------|--------------------|--------------|
| Proportion of the Net Pension Liability: | | | |
| Current Measurement Date | 0.04857920% | 0.04313904% | |
| Prior Measurement Date | <u>0.04517110%</u> | <u>0.04168659%</u> | |
| Change in Proportionate Share | <u>0.00340810%</u> | <u>0.00145245%</u> | |
| | | | |
| Proportionate Share of the Net | | | |
| Pension Liability | \$1,792,432 | \$5,515,713 | \$7,308,145 |
| Pension Expense | \$72,486 | \$152,653 | \$225,139 |

At June 30, 2022, the School 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 | \$173 | \$170,409 | \$170,582 |
| Changes of assumptions | 37,743 | 1,530,158 | 1,567,901 |
| Changes in proportionate Share and difference between School District contributions and proportionate share of contributions | 151,945 | 472,457 | 624,402 |
| School District contributions subsequent to the measurement date | <u>265,333</u> | <u>797,976</u> | <u>1,063,309</u> |
| Total Deferred Outflows of Resources | <u>\$455,194</u> | <u>\$2,971,000</u> | <u>\$3,426,194</u> |
| | | | |
| Deferred Inflows of Resources | | | |
| Differences between expected and actual experience | \$46,485 | \$34,573 | \$81,058 |
| Net difference between projected and actual earnings on pension plan investments | <u>923,155</u> | <u>4,753,490</u> | <u>5,676,645</u> |
| Total Deferred Inflows of Resources | <u>\$969,640</u> | <u>\$4,788,063</u> | <u>\$5,757,703</u> |

\$1,063,309 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

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| | <u>SERS</u> | <u>STRS</u> | <u>Total</u> |
|-----------------------------|--------------------|----------------------|----------------------|
| Fiscal Year Ending June 30: | | | |
| 2023 | (\$124,362) | (\$592,684) | (\$717,046) |
| 2024 | (152,572) | (524,226) | (676,798) |
| 2025 | (219,492) | (613,170) | (832,662) |
| 2026 | <u>(283,353)</u> | <u>(884,959)</u> | <u>(1,168,312)</u> |
| Total | <u>(\$779,779)</u> | <u>(\$2,615,039)</u> | <u>(\$3,394,818)</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 termination). Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2021, compared with June 30, 2020, are presented below:

| | <u>June 30, 2021</u> | <u>June 30, 2020</u> |
|---|--|--|
| Inflation | 2.4 percent | 3.00 percent |
| Future Salary Increases, including inflation COLA or Ad Hoc COLA | 3.25 percent to 13.58 percent 2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement | 3.50 percent to 18.20 percent 2.5 percent |
| Investment Rate of Return | 7.00 percent net of System expenses | 7.50 percent net of investment expense, including inflation |
| Actuarial Cost Method | Entry Age Normal (Level Percent of Payroll) | Entry Age Normal (Level Percent of Payroll) |

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

Mortality rates for 2020 were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Mortality among service retired members, and beneficiaries were based upon the RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120 percent of male rates, and 110 percent of female rates. Mortality among disabled members were based upon the RP-2000 Disabled Mortality Table, 90 percent for male rates and 100 percent for female rates, set back five years is used for the period after disability retirement.

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

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

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

Discount Rate The total pension liability for 2021 was calculated using the discount rate of 7.00 percent. The discount rate for 2020 was 7.5 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). 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.

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

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|---|------------------------|-------------------------------------|------------------------|
| School District's proportionate share of the net pension liability | \$2,982,166 | \$1,792,432 | \$789,077 |

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2021, actuarial valuation compared to those used in the June 30, 2020, actuarial valuation are presented as follows:

| | June 30, 2021 | June 30, 2020 |
|-----------------------------------|--|--|
| Inflation | 2.50 percent | 2.50 percent |
| Projected salary increases | 12.50 percent at age 20 to 2.50 percent at age 65 | 12.50 percent at age 20 to 2.50 percent at age 65 |
| Investment Rate of Return | 7.00 percent, net of investment expenses, including inflation | 7.45 percent, net of investment expenses, including inflation |
| Discount Rate of Return | 7.00 percent | 7.45 percent |
| Payroll Increases | 3.00 percent | 3.00 percent |
| Cost-of-Living Adjustments (COLA) | 0.0 percent | 0.0 percent, |

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

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

STRS' 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:

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

* 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent, 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 percent as of June 30, 2021, and was 7.45 percent as of June 30, 2020. 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 rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. 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, 2021. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2021.

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

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|--|------------------------|-------------------------------------|------------------------|
| School District's proportionate share of the net pension liability | \$10,328,869 | \$5,515,713 | \$1,448,609 |

Changes Between the Measurement Date and the Reporting date In February 2022, the Board approved changes to demographic measures that will impact the June 30, 2022, actuarial valuation. These demographic measures include retirement, salary increase, disability/termination and mortality assumptions. In March 2022, the STRS Board approved benefit plan changes to take effect on July 1, 2022. These changes include a one-time three percent cost-of-living increase (COLA) to be paid to eligible benefit recipients and the elimination of the age 60 requirement for retirement age and service eligibility that was set to take effect in 2026. The effect on the net pension liability is unknown.

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Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System. The Board of Education's liability is 6.2 percent of wages paid. As of June 30, 2022, there are no employees who have elected Social Security.

Note 14 - Postemployment Benefits

See note 13 for a description of the net OPEB liability

Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The School 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.

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 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2022, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2022, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2022, the School District's surcharge obligation was \$34,465.

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The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District’s contractually required contribution to SERS was \$34,465 for fiscal year 2022. Of this amount \$34,465 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. 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 percent of covered payroll. For the fiscal year ended June 30, 2022, STRS did not allocate any employer contributions to post-employment health care.

OPEB Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

The net OPEB liability (asset) was measured as of June 30, 2021, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability (asset) was based on the School 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:

| | SERS | STRS | Total |
|---------------------------------------|-------------|-------------|-------------|
| Proportion of the Net OPEB Liability: | | | |
| Current Measurement Date | 0.05021970% | 0.04313904% | |
| Prior Measurement Date | 0.04709440% | 0.04168659% | |
| Change in Proportionate Share | 0.00312530% | 0.00145245% | |
| Proportionate Share of the: | | | |
| Net OPEB Liability | \$950,449 | \$0 | \$950,449 |
| Net OPEB (Asset) | \$0 | (\$909,553) | (\$909,553) |
| OPEB Expense | \$20,053 | (\$53,623) | (\$33,570) |

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

Noble Local School District, Ohio
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| | <u>SERS</u> | <u>STRS</u> | <u>Total</u> |
|--|------------------|------------------|--------------------|
| Deferred Outflows of Resources | | | |
| Differences between expected and actual experience | \$10,131 | \$32,386 | \$42,517 |
| Changes of assumptions | 149,103 | 58,098 | 207,201 |
| Changes in proportionate Share and difference between School District contributions and proportionate share of contributions | 133,193 | 32,818 | 166,011 |
| School District contributions subsequent to the measurement date | <u>34,465</u> | <u>0</u> | <u>34,465</u> |
| Total Deferred Outflows of Resources | <u>\$326,892</u> | <u>\$123,302</u> | <u>\$450,194</u> |
| Deferred Inflows of Resources | | | |
| Differences between expected and actual experience | \$473,367 | \$166,646 | \$640,013 |
| Changes of assumptions | 130,156 | 542,614 | 672,770 |
| Net difference between projected and actual earnings on OPEB plan investments | <u>20,649</u> | <u>252,112</u> | <u>272,761</u> |
| Total Deferred Inflows of Resources | <u>\$624,172</u> | <u>\$961,372</u> | <u>\$1,585,544</u> |

\$34,465 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| | <u>SERS</u> | <u>STRS</u> | <u>Total</u> |
|-----------------------------|--------------------|--------------------|----------------------|
| Fiscal Year Ending June 30: | | | |
| 2023 | (\$76,759) | (\$238,531) | (\$315,290) |
| 2024 | (76,904) | (232,217) | (309,121) |
| 2025 | (79,209) | (228,371) | (307,580) |
| 2026 | (65,475) | (104,472) | (169,947) |
| 2027 | (27,030) | (35,428) | (62,458) |
| Thereafter | <u>(6,368)</u> | <u>949</u> | <u>(5,419)</u> |
| Total | <u>(\$331,745)</u> | <u>(\$838,070)</u> | <u>(\$1,169,815)</u> |

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.

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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, 2021, compared with June 30, 2020, are presented as follows:

| | June 30, 2021 | June 30, 2020 |
|--|---|---|
| Inflation | 2.40 percent | 3.00 percent |
| Future Salary Increases, including inflation | | |
| Wage Increases | 3.25 percent to 13.58 percent | 3.50 percent to 18.20 percent |
| Investment Rate of Return | 7.00 percent net of investment expense, including inflation | 7.50 percent net of investment expense, including inflation |
| Municipal Bond Index Rate: | | |
| Measurement Date | 1.92 percent | 2.45 percent |
| Prior Measurement Date | 2.45 percent | 3.13 percent |
| Single Equivalent Interest Rate, net of plan investment expense, including price inflation | | |
| Measurement Date | 2.27 percent | 2.63 percent |
| Prior Measurement Date | 2.63 percent | 3.22 percent |
| Medical Trend Assumption | | |
| Medicare | 5.125 to 4.40 percent | 5.25 to 4.75 percent |
| Pre-Medicare | 6.75 to 4.40 percent | 7.00 to 4.75 percent |

For 2021, mortality rates among healthy retirees 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 percent for males and set forward 2 years and adjusted 81.35 percent 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 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

For 2020, mortality rates were based on the RP-2014 Blue Collar Mortality Table with fully generational projection and Scale BB, 120 percent of male rates and 110 percent of female rates. RP-2000 Disabled Mortality Table with 90 percent for male rates and 100 percent for female rates set back five years.

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

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

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 13.

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

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

| | 1% Decrease (1.27%) | Current Discount Rate (2.27%) | 1% Increase (3.27%) |
|--|------------------------|-------------------------------------|------------------------|
| School District's proportionate share of the net OPEB liability | \$1,177,721 | \$950,449 | \$768,888 |

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

| | 1% Decrease (5.75% decreasing to 3.40%) | Current Trend Rate (6.75% decreasing to 4.40%) | 1% Increase (7.75% decreasing to 5.40%) |
|--|---|---|---|
| School District's proportionate share of the net OPEB liability | \$731,768 | \$950,449 | \$1,242,540 |

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2021, actuarial valuation and the June 30, 2020 actuarial valuation are presented as follows:

| | June 30, 2021 | June 30, 2020 |
|----------------------------|--|--|
| Projected salary increases | 12.50 percent at age 20 to 2.50 percent at age 65 | 12.50 percent at age 20 to 2.50 percent at age 65 |
| Investment Rate of Return | 7.00 percent, net of investment expenses, including inflation | 7.45 percent, net of investment expenses, including inflation |
| Payroll Increases | 3 percent | 3 percent |
| Discount Rate of Return | 7.00 percent | 7.45 percent |
| Health Care Cost Trends | | |
| Medical | | |
| Pre-Medicare | 5.00 percent initial, 4 percent ultimate | 5.00 percent initial, 4 percent ultimate |
| Medicare | -16.18 percent initial, 4 percent ultimate | -6.69 percent initial, 4 percent ultimate |
| Prescription Drug | | |
| Pre-Medicare | 6.50 percent initial, 4 percent ultimate | 6.50 percent initial, 4 percent ultimate |
| Medicare | 29.98 initial, 4 percent ultimate | 11.87 initial, 4 percent ultimate |

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

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

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

The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.1 percent per year of service. 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 CY 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 13.

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Discount Rate The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2021, and was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2021. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was used to measure the total OPEB liability as of June 30, 2021.

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

| | 1% Decrease (6.00%) | Current Discount Rate (7.00%) | 1% Increase (8.00%) |
|---|------------------------|-------------------------------------|------------------------|
| School District's proportionate share of the net OPEB asset | (\$767,521) | (\$909,553) | (\$1,028,197) |

| | 1% Decrease | Current Trend Rate | 1% Increase |
|---|---------------|-----------------------|-------------|
| School District's proportionate share of the net OPEB asset | (\$1,023,389) | (\$909,553) | (\$768,780) |

Changes Between the Measurement Date and the Reporting date In February 2022, the Board approved changes to demographic measures that will impact the June 30, 2022, actuarial valuation. The effect on the net OPEB liability is unknown.

Note 15 - Other Employee Benefits

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees earn ten to twenty-five days of vacation per fiscal year, depending upon length of service. Only one year’s accumulation of vacation days can be carried forward to the next year. Accumulated, unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time.

All employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to a maximum of 245 days. Upon retirement, payment is made for one-fourth of the total sick leave accumulation, up to a maximum payment of 61.25 days for both certified and classified employees. For all days remaining beyond the maximum, classified employees are paid \$14 per day.

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Note 16 - Long-Term Obligations

Changes in general long-term obligations of the School District during fiscal year 2022 were as follows:

| | Restated Principal Outstanding 6/30/21 | Additions | Deductions | Principal Outstanding 6/30/22 | Amounts Due within One Year |
|--|---|-----------------|--------------------|-------------------------------------|--------------------------------------|
| 2012 Energy Conservation Improvement Bonds: | | | | | |
| Term Bonds - 1.00% - 2.70% | \$50,000 | \$0 | \$50,000 | \$0 | \$0 |
| Premium on Bonds | 690 | 0 | 690 | 0 | 0 |
| Total Bonds | <u>50,690</u> | <u>0</u> | <u>50,690</u> | <u>0</u> | <u>0</u> |
| Net Pension Liability: | | | | | |
| STRS | 10,086,672 | 0 | 4,570,959 | 5,515,713 | 0 |
| SERS | 2,987,712 | 0 | 1,195,280 | 1,792,432 | 0 |
| Total Net Pension Liability | <u>13,074,384</u> | <u>0</u> | <u>5,766,239</u> | <u>7,308,145</u> | <u>0</u> |
| Net OPEB Liability: | | | | | |
| SERS | 1,023,515 | 0 | 73,066 | 950,449 | 0 |
| Leases Payable | 25,408 | 0 | 11,862 | 13,546 | 12,477 |
| Sick Leave Benefits Payable | 1,064,415 | 52,820 | 55,126 | 1,062,109 | 54,430 |
| Total Long-Term Obligations | <u>\$15,238,412</u> | <u>\$52,820</u> | <u>\$5,956,983</u> | <u>\$9,334,249</u> | <u>\$66,907</u> |

2012 Energy Conservation Improvement Bonds On August 15, 2012, the School District issued \$720,000 in unvoted energy conservation improvement bonds. The bond issue included term and capital appreciation bonds, in the amount of \$705,000 and \$15,000, respectively. The bonds were issued for a 15 year period with final maturity at December 1, 2027. The debt will be retired through reductions in energy consumption and cost savings attributed to the installation of the energy conservation improvements. The capital appreciation bonds matured in fiscal year 2017. The term bonds matured during fiscal year 2022.

Leases The School District has outstanding agreements to lease copiers. Due to the implementation of GASB Statement 87, existing prior year capital leases have met the criteria of leases thus requiring them to be recorded by the School District. The future lease payments were discounted based on the interest rate implicit in the lease. These discounts are being amortized using the interest method over the life of the lease.

The copier lease was originally entered into for a 60-month period and include a minimum monthly cost for the equipment. The lease term expires in fiscal year 2024.

Lease payments will be made from the General Fund. A summary of the principal and interest amounts for the remaining leases is as follows:

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

| Fiscal Year | Principal | Interest | Total |
|----------------|-----------------|--------------|-----------------|
| 2023 | \$12,477 | \$399 | \$12,876 |
| 2024 | 1,069 | 5 | 1,074 |
| Total | <u>\$13,546</u> | <u>\$404</u> | <u>\$13,950</u> |

The School District's overall legal debt margin at June 30, 2022, was \$53,784,190, with an unvoted debt margin of \$597,602.

Sick leave benefits will be paid from the fund from which the employees' salaries are paid. These funds include the General Fund and the Food Service Special Revenue Fund.

There are no repayment schedules for the net pension and OPEB liability. However, employer pension contributions are made from the following funds: General Fund and the Food Service and Federal Grants Special Revenue Funds. For additional information related to the net pension and OPEB liabilities, see Notes 13 and 14.

Note 17 - Interfund Activity

A. Transfers

Interfund transfers for the year ended June 30, 2022, consisted of the following:

| | Transfer In | Transfer Out |
|---|--------------------|--------------------|
| General Fund | \$0 | \$6,028,056 |
| Permanent Improvement Capital Projects Fund | 6,000,000 | 0 |
| Nonmajor Special Revenue Funds: | | |
| District Managed Student Activities | 28,056 | 0 |
| Total All Funds | <u>\$6,028,056</u> | <u>\$6,028,056</u> |

The transfer to the Permanent Improvement Capital Projects Fund was to accumulate a balance for future construction projects of the School District. The transfer to the District Managed Student Activities Special Revenue Fund was to allocate resources for Shenandoah athletics.

B. Interfund Balances

Unpaid interfund cash advances at June 30, 2022, were as follows:

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

| | Receivable | Payable |
|--|------------|-----------|
| General Fund | \$828,244 | \$0 |
| Nonmajor Special Revenue Funds: | | |
| Food Service | 0 | 83,004 |
| District Managed Student Activities | 0 | 1,047 |
| State Grants | 0 | 44,904 |
| Elementary and Secondary School Emergency Relief | 0 | 173,294 |
| Federal Grants | 0 | 525,995 |
| Total All Funds | \$828,244 | \$828,244 |

During fiscal year 2022 and in prior years, the General Fund provided cash flow resources to the above funds which are reflected as an interfund receivable. These interfund loans were used to provide cash flow resources until the receipt of grant monies and other financial resources that the above special revenue funds can accumulate to repay these loans.

Note 18 - Jointly Governed Organizations

A. Oho Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (OME-RESA)

The Oho Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (OME-RESA) was created as a separate regional council of governments pursuant to State statutes. OME-RESA operates under the direction of a Board comprising a representative from each participating school district. The Board exercises total control over the operations of OME-RESA including budgeting, appropriating, contracting, and designating management. Each participants control is limited to its representation on the Board. OME-RESA provides information technology and internet access to member districts, as well as cooperative purchasing programs. During fiscal year 2022, the total amount paid to OME-RESA from the School District was \$38,866 for technology services and financial accounting services and educational management information. The Jefferson County Educational Service Center serves as the fiscal agent. To obtain financial information write to Ohio Mid-Eastern Regional Educational Service Agency, Treasurer, at 2230 Sunset Blvd., Suite 2, Steubenville, Ohio 43952.

B. Mid-East Career and Technology Centers

The Mid-East Career and Technology Centers (Center) is a jointly governed organization providing vocational education services to its thirteen member school districts. The Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating school district's boards. The board exercised total control over the operations of the Center including budgeting, appropriating, contracting, and designing management. Each participant's control is limited to its representation on the board. The continued existence of the Center is not dependent on the School District's continued participation and no equity interest exists. During fiscal year 2022, the School District made no payments to the Center. To obtain financial information write to the Mid-East Career and Technology Centers, Nan Nolder, Treasurer, at 1965 Chandlersville Road, Zanesville, Ohio 45701.

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

C. Coalition of Rural and Appalachian Schools

The Coalition of Rural and Appalachian Schools is a jointly governed organization composed of over 136 school districts and other educational institutions in the 35-county region of Ohio designated as Appalachia. The Coalition is operated by a Board which is composed of seventeen members. One elected and one appointed from each of the seven regions into which the 35 Appalachian counties are divided; and three from Ohio University College of Education. The Coalition provides various in-service training programs for school district administrative personnel; gathers data regarding the level of education provided to children in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Coalition is not dependent on the continued participation of the School District and the School District does not maintain an equity interest in or financial responsibility for the Coalition. The School District's membership fee was \$325 for fiscal year 2022. The financial information for the Coalition can be obtained from the Executive Director, at McCracken Hall, Ohio University, Athens, Ohio 45701.

D. Ohio Coalition for Equity and Adequacy of School Funding

The Ohio Coalition of Equity and Adequacy of School Funding is organized as a council of governments pursuant to Chapter 167 of the Ohio Revised Code. The Coalition was organized in 1990 to challenge the constitutionality of the Ohio school funding system. The Coalition is governed by a Steering Committee of 90 school district representatives. Though most of the members are superintendents, some treasurers, board members, and administrators also serve. Several persons serve as ex officio members. The membership of the coalition includes over 500 school districts throughout the State of Ohio. Member school districts and joint vocational schools pay dues of \$.05 per pupil. School districts and joint vocational schools may also pay supplemental dues in the amount of \$.50 per pupil for K-12 districts and educational service centers pay dues of \$.05 per pupil. The Coalition is not dependent on the continued participation of the School District and the School District does not maintain an equity interest or financial responsibility for the Coalition. During 2022, the School District paid \$453 for membership fees to the Coalition.

Note 19 - Insurance Purchasing Pool

The School District participates in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool. The GRP's business and affairs are conducted by a three member Board of directors consisting of the President, the President-Elect, and the Immediate Past President of the OSBA. The Executive Director of the OSBA, or his designee, serves as coordinator of the plan. Each year, the participating School District pays an enrollment fee to the GRP to cover the costs of administering the plan.

Note 20 - Public Entity Risk Sharing, Claims Servicing, and Insurance Purchasing Pools

The School District is a member of the South Central Ohio Insurance Consortium (SCOIC), an insurance purchasing pool. The SCOIC's primary purpose and objective is establishing and carrying out a cooperative health program for its members consisting of 19 entities. The governing board consists of the superintendent or other designees appointed by each of the members of the SCOIC. The participating members pay an administrative fee to the fiscal agent to cover the costs of administering the Consortium. The Bloom Carroll Local District serves as the fiscal agent for the SCOIC. To obtain financial information, write to the Bloom-Carroll Local School District, Travis Bigam, who serves as Treasurer, at 5240 Plum Road, Carroll Ohio 43112.

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

The SCOIC members are considered self-insured and pay a month premium to SCOIC that is actuarially calculated based on the participants' actual claims experience which are utilized for the payment of claims within the claims servicing pool up to the self-insurance deductible limit; and for this portion of the plan, all plan participants retain their own risk. An additional fee is paid for the participation in the internal pool that is based on the claims of the internal pool in aggregate and is not based on individual claims experience. In the event of a deficiency in the internal pool, participants would be charged a higher rate or participation, and in the event of a surplus, the internal pool pays dividends to participants. SCOIC members participate in the shared risk pool through the Jefferson Health Plan for individual claims from \$100,000 to \$200,000. SCOIC members are then covered under stop loss coverage for claims over \$200,000 from IOA-Re. In the event that the School District would withdraw from SCOIC, the School District would be required to give a 180 day notice prior to the end of their three year contract, be responsible for all run-out claims, and would have no rights to share in any surplus funds of SCOIC. To obtain financial information for the SCOIC, write to the fiscal agent, Bloom Carroll Local School District, 5240 Plum Road NW, Carroll, Ohio 43112.

The School District is a member of the Schools of Ohio Risk Sharing Authority, Inc. (SORSA), a risk sharing pool serving school districts in Ohio. SORSA was formed as an Ohio non-profit corporation for the purpose of administering a joint self insurance pool and assisting members to prevent and reduce losses and injuries to School District persons and property which might result in claims being made against members of SORSA. Member school districts agree to jointly participate in coverage of losses and pay all contributions necessary for the specified insurance coverages provided by SORSA. These coverages include comprehensive general liability, automobile liability, certain property insurance, equipment breakdown, cyber liability, and educators' errors and omissions liability insurance. Each member school district has one vote on all matters requiring a vote, to be cast by a designated representative. The affairs of the corporation are managed by an elected board of not more than nine directors. Only superintendents, assistant treasurers, treasurers, or business managers of member school districts are eligible to serve on the board. No school district may have more than one representative on the board at any time. Each member school district's control over the budgetary and financing of SORSA is limited to its voting authority and any representative it may have on the board of directors. Financial information can be obtained from SORSA at 555 Metro Place, Dublin, Ohio 43017.

Note 21 - Set-Aside Calculations

The School District is required by State statute to annually set-aside in the General Fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by fiscal year end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end and carried forward to be used for the same purposes in future fiscal years.

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

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

| | Capital Improvements |
|---|-------------------------|
| Set-aside Balance as of June 30, 2021 | \$0 |
| Current Year Set-aside Requirement | 173,824 |
| Offsetting Credits | (6,000,000) |
| Qualifying Disbursements | (321,704) |
| Total | (\$6,147,880) |
| Set-aside Balance Carried Forward to Future Fiscal Years | \$0 |

The School District had offsets and qualifying disbursements during the fiscal year that reduced the set-aside amount below zero. The excess in the capital maintenance set-aside may not be carried forward to reduce the set-aside requirement in future years.

Note 22 - Donor Restricted Endowments

The School District’s private purpose trust funds include donor restricted endowments. Total endowments, representing the principal portion are \$33,500. State law permits the School District to appropriate, for purposes consistent with the endowment’s intent, net appreciation, realized and unrealized, unless the endowment terms specify otherwise. The endowments indicate that interest should be used to provide scholarships each year.

Note 23 - Contingencies

A. Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure 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 General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2022, if applicable, cannot be determined at this time.

B. Litigation

As of June 30, 2022, the School District is currently not a party to any material legal proceedings.

C. School Foundation

School District foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2022 are finalized.

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2022

Note 24 - COVID-19

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

Note 25 – Subsequent Events

On February 3, 2023, the Board of Education and Todd Herman reached an agreement for Todd Herman to no longer serve as superintendent of the Noble Local School District. Said agreement allowed Mr. Herman to pursue other opportunities and allowed the Board of Education to locate a new superintendent to continue building on the School District's educational successes. On February 16, 2023, the Board of Education entered into a contract with Justin Denius to serve as superintendent effective March 1, 2023.

Noble Local School District, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
School Employees Retirement System of Ohio
*Last Nine Fiscal Years (1)**

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|-------------|-------------|-------------|-------------|-------------|
| School District's Proportion of the Net Pension Liability | 0.04857920% | 0.04517110% | 0.04370810% | 0.04374750% | 0.04224740% |
| School District's Proportionate Share of the Net Pension Liability | \$1,792,432 | \$2,987,712 | \$2,615,134 | \$2,505,500 | \$2,524,189 |
| School District's Covered Payroll | \$1,710,793 | \$1,590,314 | \$1,499,652 | \$1,419,704 | \$1,318,900 |
| School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 104.77% | 187.87% | 174.38% | 176.48% | 191.39% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 82.86% | 68.55% | 70.85% | 71.36% | 69.50% |

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each fiscal year.

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

See accompanying notes to the required supplementary information

| 2017 | 2016 | 2015 | 2014 |
|-------------|-------------|-------------|-------------|
| 0.04352560% | 0.04284730% | 0.04507300% | 0.04507300% |
| \$3,185,672 | \$2,444,907 | \$2,281,119 | \$2,680,347 |
| \$1,360,443 | \$1,291,143 | \$1,312,350 | \$1,194,824 |
| 234.16% | 189.36% | 173.82% | 224.33% |
| 62.98% | 69.16% | 71.70% | 65.52% |

Noble Local School District, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net Pension Liability
State Teachers Retirement System of Ohio
*Last Nine Fiscal Years (1)**

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|---|-------------|--------------|-------------|-------------|-------------|
| School District's Proportion of the Net Pension Liability | 0.04313904% | 0.04168659% | 0.04057156% | 0.03961780% | 0.03810152% |
| School District's Proportionate Share of the Net Pension Liability | \$5,515,713 | \$10,086,672 | \$8,972,157 | \$8,711,065 | \$9,051,098 |
| School District's Covered Payroll | \$5,339,107 | \$5,040,029 | \$4,791,329 | \$4,557,586 | \$4,189,050 |
| School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 103.31% | 200.13% | 187.26% | 191.13% | 216.07% |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability | 87.80% | 75.50% | 77.40% | 77.30% | 75.30% |

(1) Although this schedule is intended to reflect information for ten years, information prior to 2014 is not available. An additional column will be added each fiscal year.

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

See accompanying notes to the required supplementary information

| 2017 | 2016 | 2015 | 2014 |
|--------------|--------------|-------------|--------------|
| 0.03809452% | 0.04026800% | 0.04040390% | 0.04040390% |
| \$12,751,384 | \$11,128,897 | \$9,827,627 | \$11,706,605 |
| \$4,373,379 | \$4,203,271 | \$4,152,054 | \$3,749,200 |
| 291.57% | 264.77% | 236.69% | 312.24% |
| 66.80% | 72.10% | 74.70% | 69.30% |

Noble Local School District, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability
School Employees Retirement System of Ohio
Last Six Fiscal Years (1)

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| School District's Proportion of the Net OPEB Liability | 0.05021970% | 0.04709440% | 0.04448880% | 0.04458850% | 0.04287720% | 0.04417430% |
| School District's Proportionate Share of the Net OPEB Liability | \$950,449 | \$1,023,515 | \$1,128,839 | \$1,237,004 | \$1,150,711 | \$1,259,131 |
| School District's Covered Payroll | \$1,710,793 | \$1,590,314 | \$1,499,652 | \$1,419,704 | \$1,318,900 | \$1,360,443 |
| School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll | 55.56% | 64.36% | 75.27% | 87.13% | 87.25% | 92.55% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability | 24.08% | 18.17% | 15.57% | 13.57% | 12.46% | 11.49% |

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each fiscal year.

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

See accompanying notes to the required supplementary information

Noble Local School District, Ohio
Required Supplementary Information
Schedule of the School District's Proportionate Share of the Net OPEB Liability (Asset)
State Teachers Retirement System of Ohio
Last Six Fiscal Years (1)

| | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|--|-------------|-------------|-------------|-------------|-------------|-------------|
| School District's Proportion of the Net OPEB Liability | 0.04313904% | 0.04168659% | 0.04057156% | 0.03961780% | 0.03810152% | 0.03809452% |
| School District's Proportionate Share of the Net OPEB Liability (Asset) | (\$909,553) | (\$732,641) | (\$671,965) | (\$636,618) | \$1,486,581 | \$2,037,305 |
| School District's Covered Payroll | \$5,339,107 | \$5,040,029 | \$4,791,329 | \$4,557,586 | \$4,189,050 | \$4,373,379 |
| School District's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll | -17.04% | -14.54% | -14.02% | -13.97% | 35.49% | 46.58% |
| Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability (Asset) | 174.70% | 182.10% | 174.70% | 176.00% | 47.10% | 37.30% |

(1) Although this schedule is intended to reflect information for ten years, information prior to 2017 is not available. An additional column will be added each fiscal year.

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

See accompanying notes to the required supplementary information

Noble Local School District, Ohio
Required Supplementary Information
Schedule of the School District's Contributions
School Employees Retirement System of Ohio
Last Ten Fiscal Years

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|------------------|------------------|------------------|------------------|------------------|
| Net Pension Liability | | | | | |
| Contractually Required Contribution | \$265,333 | \$239,511 | \$222,644 | \$202,453 | \$191,660 |
| Contributions in Relation to the Contractually Required Contribution | <u>(265,333)</u> | <u>(239,511)</u> | <u>(222,644)</u> | <u>(202,453)</u> | <u>(191,660)</u> |
| Contribution Deficiency (Excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| School District Covered Payroll (1) | \$1,895,236 | \$1,710,793 | \$1,590,314 | \$1,499,652 | \$1,419,704 |
| Pension Contributions as a Percentage of Covered Payroll | <u>14.00%</u> | <u>14.00%</u> | <u>14.00%</u> | <u>13.50%</u> | <u>13.50%</u> |
| Net OPEB Liability | | | | | |
| Contractually Required Contribution (2) | \$34,465 | \$32,854 | \$31,297 | \$33,345 | \$32,105 |
| Contributions in Relation to the Contractually Required Contribution | <u>(34,465)</u> | <u>(32,854)</u> | <u>(31,297)</u> | <u>(33,345)</u> | <u>(32,105)</u> |
| Contribution Deficiency (Excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| OPEB Contributions as a Percentage of Covered Payroll | <u>1.82%</u> | <u>1.92%</u> | <u>1.97%</u> | <u>2.22%</u> | <u>2.26%</u> |
| Total Contributions as a Percentage of Covered Payroll (2) | <u>15.82%</u> | <u>15.92%</u> | <u>15.97%</u> | <u>15.72%</u> | <u>15.76%</u> |

(1) The School District's covered payroll is the same for Pension and OPEB.

(2) Includes Surcharge

See accompanying notes to the required supplementary information

| 2017 | 2016 | 2015 | 2014 | 2013 |
|------------------|------------------|------------------|------------------|------------------|
| \$184,646 | \$190,462 | \$170,173 | \$181,892 | \$165,364 |
| <u>(184,646)</u> | <u>(190,462)</u> | <u>(170,173)</u> | <u>(181,892)</u> | <u>(165,364)</u> |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| \$1,318,900 | \$1,360,443 | \$1,291,143 | \$1,312,350 | \$1,194,824 |
| <u>14.00%</u> | <u>14.00%</u> | <u>13.18%</u> | <u>13.86%</u> | <u>13.84%</u> |
| \$23,396 | \$22,635 | \$33,542 | \$25,002 | \$22,912 |
| <u>(23,396)</u> | <u>(22,635)</u> | <u>(33,542)</u> | <u>(25,002)</u> | <u>(22,912)</u> |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| <u>1.77%</u> | <u>1.66%</u> | <u>2.60%</u> | <u>1.91%</u> | <u>1.92%</u> |
| <u>15.77%</u> | <u>15.66%</u> | <u>15.78%</u> | <u>15.77%</u> | <u>15.76%</u> |

Noble Local School District, Ohio
Required Supplementary Information
Schedule of the School District's Contributions
State Teachers Retirement System of Ohio
Last Ten Fiscal Years

| | 2022 | 2021 | 2020 | 2019 | 2018 |
|--|------------------|------------------|------------------|------------------|------------------|
| Net Pension Liability | | | | | |
| Contractually Required Contribution | \$797,976 | \$747,475 | \$705,604 | \$670,786 | \$638,062 |
| Contributions in Relation to the Contractually Required Contribution | <u>(797,976)</u> | <u>(747,475)</u> | <u>(705,604)</u> | <u>(670,786)</u> | <u>(638,062)</u> |
| Contribution Deficiency (Excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| School District Covered Payroll | \$5,699,829 | \$5,339,107 | \$5,040,029 | \$4,791,329 | \$4,557,586 |
| Pension Contributions as a Percentage of Covered Payroll | <u>14.00%</u> | <u>14.00%</u> | <u>14.00%</u> | <u>14.00%</u> | <u>14.00%</u> |
| Net OPEB Liability/Asset | | | | | |
| Contractually Required Contribution | \$0 | \$0 | \$0 | \$0 | \$0 |
| Contributions in Relation to the Contractually Required Contribution | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> | <u>0</u> |
| Contribution Deficiency (Excess) | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| OPEB Contributions as a Percentage of Covered Payroll | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> |
| Total Contributions as a Percentage of Covered Payroll | <u>14.00%</u> | <u>14.00%</u> | <u>14.00%</u> | <u>14.00%</u> | <u>14.00%</u> |

See accompanying notes to the required supplementary information

| 2017 | 2016 | 2015 | 2014 | 2013 |
|------------------|------------------|------------------|------------------|------------------|
| \$586,467 | \$612,273 | \$588,458 | \$539,767 | \$487,396 |
| <u>(586,467)</u> | <u>(612,273)</u> | <u>(588,458)</u> | <u>(539,767)</u> | <u>(487,396)</u> |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| \$4,189,050 | \$4,373,379 | \$4,203,271 | \$4,152,054 | \$3,749,200 |
| <u>14.00%</u> | <u>14.00%</u> | <u>14.00%</u> | <u>13.00%</u> | <u>13.00%</u> |
| \$0 | \$0 | \$0 | \$41,521 | \$37,492 |
| <u>0</u> | <u>0</u> | <u>0</u> | <u>(41,521)</u> | <u>(37,492)</u> |
| <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> | <u>\$0</u> |
| <u>0.00%</u> | <u>0.00%</u> | <u>0.00%</u> | <u>1.00%</u> | <u>1.00%</u> |
| <u>14.00%</u> | <u>14.00%</u> | <u>14.00%</u> | <u>14.00%</u> | <u>14.00%</u> |

Noble Local School District, Ohio
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2022

Net Pension Liability

Changes in Assumptions – SERS

Beginning in fiscal year 2022, an assumption of 2.0 percent was used for COLA or Ad Hoc Cola. For fiscal years 2018 through 2021, an assumption of 2.5 percent was used. Prior to 2018, an assumption of 3 percent was used.

Amounts reported in 2022 incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in prior years are presented below:

| | Fiscal Year 2022 | Fiscal Years 2021-2017 | Fiscal Year 2016 and Prior |
|---|---------------------------------------|---|---|
| Wage Inflation | 2.4 percent | 3.00 percent | 3.25 percent |
| Future Salary Increases, including inflation | 3.25 percent to 13.58 percent | 3.50 percent to 18.20 percent | 4.00 percent to 22.00 percent |
| Investment Rate of Return | 7.0 percent net of system expenses | 7.50 percent net of investments expense, including inflation | 7.75 percent net of investments expense, including inflation |

Amounts reported for 2022 use mortality rates based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent 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 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Amounts report for 2017 through 2021 use mortality rates that are based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five-year age set-back for both males and females. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

Changes in Assumptions - STRS

Beginning with fiscal year 2022, amounts reported incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal years 2018-2021 and fiscal year 2017 and prior are presented below:

Noble Local School District, Ohio
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2022

| | Fiscal Year 2022 | Fiscal Years 2021-2018 | Fiscal Year 2017 and Prior |
|--------------------------------------|--|--|--|
| Inflation | 2.50 percent | 2.50 percent | 2.75 percent |
| Projected salary increases | 12.50 percent at age 20 to 2.50 percent at age 65 | 12.50 percent at age 20 to 2.50 percent at age 65 | 12.25 percent at age 20 to 2.75 percent at age 70 |
| Investment Rate of Return | 7.00 percent, net of investment expenses, including inflation | 7.45 percent, net of investment expenses, including inflation | 7.75 percent, net of investment expenses, including inflation |
| Payroll Increases | 3 percent | 3 percent | 3.5 percent |
| Cost-of-Living Adjustments (COLA) | 0.0 percent, effective July 1, 2017 | 0.0 percent, effective July 1, 2017 | 2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring August 1, 2013, or later, 2 percent COLA commences on fifth anniversary of retirement date. |

Beginning with fiscal year 2018, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50 percent of rates through age 69, 70 percent of rates between ages 70 and 79, 90 percent of rates between ages 80 and 84, and 100 percent of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP-2014 Disabled Mortality Table with 90 percent of rates for males and 100 percent of rates for females, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016.

For fiscal year 2017 and prior actuarial valuation, mortality rates were based on the RP-2000 Combined Mortality Table (Projection 2022—Scale AA) for Males and Females. Males' ages are set-back two years through age 89 and no set-back for age 90 and above. Females younger than age 80 are set back four years, one year set back from age 80 through 89, and no set back from age 90 and above.

Net OPEB Liability

Changes in Assumptions – SERS

Beginning with fiscal year 2022, amounts reported incorporate changes in assumptions and changes in benefit terms used by SERS in calculating the total OPEB liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2021 and prior are presented below:

| | 2022 | 2021 and Prior |
|--|--|--|
| Inflation | 2.40 percent | 3.00 percent |
| Future Salary Increases, including inflation | | |
| Wage Increases | 3.25 percent to 13.58 percent | 3.50 percent to 18.20 percent |
| Investment Rate of Return | 7.00 percent net of investment expense, including inflation | 7.50 percent net of investment expense, including inflation |

Amounts reported incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

Noble Local School District, Ohio
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2022

| | |
|---|--------------|
| Municipal Bond Index Rate: | |
| Fiscal year 2022 | 1.92 percent |
| Fiscal year 2021 | 2.45 percent |
| Fiscal year 2020 | 3.13 percent |
| Fiscal year 2019 | 3.62 percent |
| Fiscal year 2018 | 3.56 percent |
| Fiscal year 2017 | 2.92 percent |
| Single Equivalent Interest Rate, net of plan investment expense, including price inflation | |
| Fiscal year 2022 | 2.27 percent |
| Fiscal year 2021 | 2.63 percent |
| Fiscal year 2020 | 3.22 percent |
| Fiscal year 2019 | 3.70 percent |
| Fiscal year 2018 | 3.63 percent |
| Fiscal year 2017 | 2.98 percent |

Changes in Assumptions – STRS

For fiscal year 2018, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. 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. 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 discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45.

For fiscal year 2022, the discount rate was decreased from 7.45 percent to the long-term expected rate of return of 7.00.

Changes in Benefit Terms – STRS OPEB

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent 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 2020.

For fiscal year 2019, the subsidy multiplier for non-Medicare benefit recipients was increased from 1.9 percent to 1.944 percent per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020.

Noble Local School District, Ohio
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2022

For fiscal year 2020, there was no change to the claims costs process. Claim curves were trended to the fiscal year ending June 30, 2020 to reflect the current price renewals. The non-Medicare subsidy percentage was increased effective January 1, 2020 from 1.944 percent to 1.984 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2020. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed to January 1, 2021.

For fiscal year 2021, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984 percent to 2.055 percent 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 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

For fiscal year 2022, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2022 premium based on June 30, 2021 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.1 percent per year of service. 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 CY 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

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NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY

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

| FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title | Assistant Listing Number | Pass Through Entity Identifying Number | Total Federal Expenditures |
|--|--------------------------------|--|----------------------------------|
| U.S. DEPARTMENT OF AGRICULTURE | | | |
| <i>Passed Through Ohio Department of Education</i> | | | |
| Child Nutrition Cluster | | | |
| Non-Cash Assistance (Food Distribution): | | | |
| National School Lunch Program | 10.555 | 2022 | \$12,807 |
| Cash Assistance: | | | |
| School Breakfast Program | 10.553 | 2022 | 200,758 |
| National School Lunch Program | 10.555 | 2022 | 425,480 |
| COVID-19 National School Lunch Program | 10.555 | 2022 | 21,318 |
| Cash Assistance Subtotal | | | <u>647,556</u> |
| Total Child Nutrition Cluster | | | 660,363 |
| COVID-19 State Pandemic EBT Transfer Administrative Cost | 10.649 | 2022 | <u>614</u> |
| Total U.S. Department of Agriculture | | | 660,977 |
| U.S. DEPARTMENT OF EDUCATION | | | |
| <i>Passed Through Ohio Department of Education</i> | | | |
| Title I Grants to Local Educational Agencies | 84.010 | 2021 2022 | 22,423 <u>170,325</u> |
| Total Title I Grants to Local Educational Agencies | | | 192,748 |
| Special Education Cluster | | | |
| Special Education - Grants to States | 84.027A | 2021 2022 | 16,885 198,746 |
| COVID-19 Special Education - Grants to States | 84.027X | 2022 | 49,915 |
| Total Special Education - Grants to States | | | <u>265,546</u> |
| Special Education - Preschool Grants | 84.173A | 2022 | 4,156 |
| COVID-19 Special Education - Preschool Grants | 84.173X | 2022 | 3,696 |
| Total Special Education - Preschool Grants | | | <u>7,852</u> |
| Total Special Education Cluster | | | 273,398 |
| Supporting Effective Instruction State Grants | 84.367 | 2021 2022 | 3,188 <u>29,537</u> |
| Total Supporting Effective Instruction State Grants | | | 32,725 |
| Career and Technical Education -- Basic Grants to States | 84.048 | 2022 | 1,800 |
| Student Support and Academic Enrichment Program | 84.424 | 2022 | 13,700 |
| COVID-19 Education Stabilization Fund: | | | |
| Elementary and Secondary School Emergency Relief Fund (ESSER) | 84.425D | 2022 | 606,084 |
| American Rescue Plan Elementary and Secondary School Emergency Relief Fund (ARP ESSER) | 84.425U | 2022 | 661,664 |
| Total COVID-19 Education Stabilization Fund | | | <u>1,267,748</u> |
| Total U.S. Department of Education | | | 1,782,119 |
| U.S. DEPARTMENT OF THE TREASURY | | | |
| <i>Passed Through Appalachian Regional Commission</i> | | | |
| Appalachian Area Development | 23.002 | 2022 | <u>296,367</u> |
| Total U.S. Department of the Treasury | | | <u>296,367</u> |
| Total Expenditures of Federal Awards | | | <u><u>\$2,739,463</u></u> |

The accompanying notes are an integral part of this Schedule.

**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY**

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

NOTE A – BASIS OF PRESENTATION

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

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F – TRANSFERS BETWEEN PROGRAM YEARS

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

| <u>Program Title</u> | <u>CFDA Number</u> | <u>Amount Transferred</u> |
|---|-------------------------------|--------------------------------------|
| Title I Grants to Local Educational Agencies | 84.010 | \$ 22,646 |
| Supporting Effective Instruction State Grants | 84.367 | \$ 5,885 |
| Special Education - Grants to States | 84.027 | \$ 2,190 |

OHIO AUDITOR OF STATE KEITH FABER



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

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

Noble Local School District
Noble County
20977 Zep Road East
Sarahsville, Ohio 43779

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, each major fund, and the aggregate remaining fund information of the Noble Local School District, Noble County, Ohio (the School District), as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated March 17, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School 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 opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the School 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 School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the 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 School 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 School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

March 17, 2023

OHIO AUDITOR OF STATE KEITH FABER



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

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

Noble Local School District
Noble County
20977 Zep Road East
Sarahsville, Ohio 43779

To the Board of Education:

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited the Noble Local School District's, Noble County, Ohio (the School 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 Noble Local School District's major federal program for the year ended June 30, 2022. Noble Local School District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

In our opinion, Noble Local School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2022.

Basis for Opinion on the Major Federal Program

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

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

Responsibilities of Management for Compliance

The School 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 School 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 School 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 School District's compliance with the requirements of the major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School 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 School 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 School District's internal control over compliance. Accordingly, no such opinion is expressed.

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

Report on Internal Control Over Compliance

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

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

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

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



Keith Faber
Auditor of State
Columbus, Ohio

March 17, 2023

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**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2022**

1. SUMMARY OF AUDITOR'S RESULTS

| | | |
|---------------------|--|--|
| (d)(1)(i) | Type of Financial Statement Opinion | Unmodified |
| (d)(1)(ii) | Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)? | No |
| (d)(1)(ii) | Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)? | No |
| (d)(1)(iii) | Was there any reported material noncompliance at the financial statement level (GAGAS)? | No |
| (d)(1)(iv) | Were there any material weaknesses in internal control reported for major federal programs? | No |
| (d)(1)(iv) | Were there any significant deficiencies in internal control reported for major federal programs? | No |
| (d)(1)(v) | Type of Major Programs' Compliance Opinion | Unmodified |
| (d)(1)(vi) | Are there any reportable findings under 2 CFR § 200.516(a)? | No |
| (d)(1)(vii) | Major Programs (list): <ul style="list-style-type: none"> • AL #84.425D & AL #8425U – Education Stabilization Fund – Elementary and Secondary School Emergency Relief (ESSER) | |
| (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? | Yes |

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

OHIO AUDITOR OF STATE KEITH FABER



NOBLE LOCAL SCHOOL DISTRICT

NOBLE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 3/30/2023

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

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