



OHIO AUDITOR OF STATE
KEITH FABER



**NOBLE COUNTY
DECEMBER 31, 2023**

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

Noble County
200 Courthouse Square
Caldwell, Ohio 43724

To the Board of County Commissioners:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Noble County, Ohio (County), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Noble County, Ohio as of December 31, 2023, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparisons for the General, Motor Vehicle and Gasoline Tax, Public Assistance, Board of Developmental Disabilities and Ambulance Services Funds 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 County, 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 County'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.

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2024, on our consideration of the County'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 County'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 County's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

September 23, 2024

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Noble County
Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

Management's Discussion and Analysis (MD&A) provides the reader with a narrative overview and analysis of the County of Noble, Ohio's (the County) financial activities for the year ended December 31, 2023. The intent of this discussion and analysis is to look at the County's financial performance as a whole. The MD&A should be read in conjunction with the basic financial statements, notes to the basic financial statements, and required supplementary information to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for year 2023 are as follows:

- The assets and deferred outflows of resources of Noble County exceeded its liabilities and deferred inflows of resources at the close of the year ended December 31, 2023, by \$58,056,126 (net position).
- The County's total net position increased by \$1,613,813 from the total net position at the beginning of the year 2023.
- At the end of the current year, the County reported unrestricted (deficit) net position for governmental activities of (\$2,144,973).
- At the end of the current year, the County's governmental funds reported a combined ending fund balance of \$20,929,601, an increase of \$1,326,999 from the prior year. Of this amount, \$926,895 is available for spending (unassigned fund balance) on behalf of its citizens.

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 Noble County as a financial whole, an entire operating entity. The statements then proceed to present an increasingly detailed outline of specific activities and financial conditions.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole County, presenting both an aggregate view of the County'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. Fund financial statements also report County's operations in more detail than the government-wide statements by providing information about the County's most financially significant funds. Nonmajor funds are presented separately from major funds in total and in one column.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the County's finances, in a manner similar to a private-sector business.

**Noble County
Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited**

Statement of Net Position and Statement of Activities

While these documents contain information about the funds used by the County to provide services to our citizens, the view of the County as a whole looks at all financial transactions and asks the question, "How did we do financially during 2023?" The Statement of Net Position and the Statement of Activities answer this question.

The Statement of Net Position presents information on all of the County's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference between these reported as net position. The Statement of Activities presents information showing how the County's net position changed during the current year. These statements are prepared using the accrual basis of accounting similar to the accounting method used by private sector companies. This basis of accounting takes into consideration all of the current year's revenues and expenses, regardless of when the cash is received or paid.

The change in net position is important because it tells the reader whether, for the County as a whole, the financial position of the County has improved or diminished. However, in evaluating the overall position of the County, nonfinancial information such as changes in the County's tax base and the condition of the County's capital assets will also need to be evaluated.

In the Statement of Net Position and the Statement of Activities, the County is divided into two kinds of activities:

Governmental Activities - Most of the County's programs and services are reported here, including general government, public safety, public works, health, human services, conservation and recreation, and economic development and assistance. These services are funded primarily by taxes and intergovernmental revenues, including federal and state grants and other shared revenues.

Business-Type Activities - This service is provided on a charge for goods or services basis to recover all or most of the cost of the services provided. The County's sewer system is reported here.

Reporting Noble County's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The County, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the County can be divided into three categories; governmental funds, proprietary funds, and fiduciary funds. Based on the restriction on the use of moneys, the County has established many funds that account for the multitude of services provided to its residents. The fund financial statements focus on the County's most significant funds. The County's major governmental funds include the General Fund and the Motor Vehicle and Gasoline Tax, Public Assistance, Board of Developmental Disabilities, and Ambulance Services Special Revenue Funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities on the government-wide financial statements. Most of the County's basic services are reported in these funds that focus on how money flows into and out of the funds and the year end balances available for spending.

Noble County
Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

These funds are reported on the modified accrual basis of accounting that measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the County's general government operations and the basic services being provided, along with the financial resources available.

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities on the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The County maintains a multitude of individual governmental funds. Information is presented separately on the governmental fund balance sheet and on the governmental fund statement of revenues, expenditures, and changes in fund balances for the major funds, which were identified earlier. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

Proprietary Funds - The County maintains two proprietary funds – enterprise and internal service. Enterprise funds are used to report the same functions presented as business-type activities on the government-wide financial statements. The County uses an enterprise fund to account for the Sewer Fund operations. Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis. The internal service funds are used to account for the operation of the County's self-insurance program for employee health benefits and prescription drugs.

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

Notes to the Basic Financial Statements The notes provide additional information that is essential to the full understanding of the data provided on the government-wide and fund financial statements.

Government-Wide Financial Analysis

Recall that the Statement of Net Position provides the perspective of the County as a whole. Table 1 provides a summary of the County's net position for 2023 compared to 2022:

**Noble County
Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited**

Table 1
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets						
Current Assets	\$34,180,695	\$31,466,632	\$132,455	\$119,100	\$34,313,150	\$31,585,732
Noncurrent Assets:						
Net Pension Asset	93,810	129,533	0	0	93,810	129,533
Net OPEB Asset	0	1,388,391	0	0	0	1,388,391
Capital Assets	34,640,377	34,419,802	7,628,662	7,862,970	42,269,039	42,282,772
Total Assets	68,914,882	67,404,358	7,761,117	7,982,070	76,675,999	75,386,428
Deferred Outflows of Resources						
Pension	6,006,252	2,804,621	0	0	6,006,252	2,804,621
OPEB	885,246	146,320	0	0	885,246	146,320
Asset Retirement Obligation	0	0	81,991	85,992	81,991	85,992
Total Deferred Outflows of Resources	6,891,498	2,950,941	81,991	85,992	6,973,489	3,036,933
Liabilities						
Current Liabilities	2,080,183	2,288,376	17,755	18,606	2,097,938	2,306,982
Long-Term Liabilities:						
Due Within One Year	402,486	368,375	46,138	46,206	448,624	414,581
Due in More Than One Year:						
Net Pension Liability	13,628,299	4,017,323	0	0	13,628,299	4,017,323
Net OPEB Liability	280,070	0	0	0	280,070	0
Other Amounts	1,750,360	1,639,037	588,902	628,215	2,339,262	2,267,252
Total Liabilities	18,141,398	8,313,111	652,795	693,027	18,794,193	9,006,138
Deferred Inflows of Resources						
Property Taxes	6,639,496	6,418,101	0	0	6,639,496	6,418,101
Pension	67,303	5,052,100	0	0	67,303	5,052,100
OPEB	92,370	1,504,709	0	0	92,370	1,504,709
Total Deferred Inflows of Resources	6,799,169	12,974,910	0	0	6,799,169	12,974,910
Net Position						
Net Investment in						
Capital Assets	33,439,607	33,174,114	7,130,925	7,319,173	40,570,532	40,493,287
Restricted	19,571,179	17,056,157	0	0	19,571,179	17,056,157
Unrestricted (Deficit)	(2,144,973)	(1,162,993)	59,388	55,862	(2,085,585)	(1,107,131)
Total Net Position	\$50,865,813	\$49,067,278	\$7,190,313	\$7,375,035	\$58,056,126	\$56,442,313

Noble County
Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited

The net pension liability (NPL) is one of the largest liabilities reported by the County at December 31, 2023. 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 County is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State Statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State Statute. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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 are no repayment schedules for the net pension or the net OPEB liabilities. 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.

As noted earlier, the County's net position, when reviewed over time, may serve as a useful indicator of the County's financial position. In the case of the County, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$58,056,126 (\$50,865,813 in governmental activities and \$7,190,313 in business-type activities) as of December 31, 2023. The County's net position is reflected in three categories, Net Investment in Capital Assets, Restricted, and Unrestricted. The largest portion of the County's net position reflects its investment in capital assets, (e.g., land, buildings and improvements, machinery, equipment, furniture and fixtures, vehicles, and infrastructure), net of related debt. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to pay these liabilities. The restricted portion of the County's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance of Net Position is a deficit unrestricted net position. Unrestricted net position, if positive, may be used to meet the County's ongoing obligations to its citizens and creditors.

The County is reporting an increase in current assets of governmental activities in the amount of \$2,714,063. Cash and cash equivalents increased in the amount of \$1,008,438, which was accompanied by an increase in intergovernmental receivables of \$912,191. The County is continuing its effort to increase cash reserves to allow for an adequate carry over balance into the next year. The increase in intergovernmental receivable was due to the award of additional grants including new grants for building demolition and remediation projects. Property taxes receivable had a slight increase in the amount of \$226,138, due to new construction and increase in property valuations. The County had a change from a net OPEB to asset to a net OPEB liability due to an increase in the County's proportionate share of the OPEB's unfunded benefits. During 2023 capital assets of governmental activities increased by \$220,575, due to current year additions exceeding current year deletions and depreciation.

Noble County
Management's Discussion and Analysis
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Deferred outflows of resources of governmental activities increased by \$3,940,557. This significant increase in deferred outflows of resources is largely due to differences between projected and actual earnings on pension plan investments.

Total liabilities of governmental activities increased by \$9,828,287 which is largely the result of increases in net pension liability. The net pension liabilities increase represents the County's proportionate share of the OPERS traditional plan's unfunded benefits, and the retirement system's OPEB plan. Changes in pension benefits, contribution rates, and return on investment affect the balance of these liabilities. The change from a net OPEB liability to a net OPEB asset was due to an increase in the County's proportionate share of the OPEB's unfunded benefits.

Deferred inflows of resources of governmental activities decreased by \$6,175,741. This significant decrease in deferred inflows of resources is largely due to differences between projected and actual earnings on pension plan investments.

The County's total net position of governmental activities increased \$1,798,535 during 2023. The majority of the change is in restricted net position as a result of the County's conservative spending on road and bridge projects while revenues increased from the prior year.

Changes in net position, both assets/deferred outflows of resources and liabilities/deferred inflows of resources, are summarized in Table 2. In order to further understand what makes up the changes in net position for the current year, the following table gives readers further details regarding the results of activities for 2023 and 2022:

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**Noble County
Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited**

Table 2
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program Revenues						
Charges for Services	\$4,220,606	\$3,319,834	\$210,315	\$198,438	\$4,430,921	\$3,518,272
Operating Grants, Contributions and Interest	12,312,046	12,030,973	28,255	0	12,340,301	12,030,973
Capital Grants and Contributions	323,572	784,181	0	0	323,572	784,181
Total Program Revenues	<u>16,856,224</u>	<u>16,134,988</u>	<u>238,570</u>	<u>198,438</u>	<u>17,094,794</u>	<u>16,333,426</u>
General Revenues						
Property Taxes	5,785,768	5,718,708	0	0	5,785,768	5,718,708
Sales Taxes	2,465,514	2,100,879	0	0	2,465,514	2,100,879
Intergovernmental	839,292	488,837	0	0	839,292	488,837
Investment Earnings	809,979	127,787	0	0	809,979	127,787
Other	1,031,258	863,405	37,988	32,745	1,069,246	896,150
Total General Revenues	<u>10,931,811</u>	<u>9,299,616</u>	<u>37,988</u>	<u>32,745</u>	<u>10,969,799</u>	<u>9,332,361</u>
Total Revenues	<u>27,788,035</u>	<u>25,434,604</u>	<u>276,558</u>	<u>231,183</u>	<u>28,064,593</u>	<u>25,665,787</u>
Program Expenses						
General Government						
Legislative and Executive	3,782,361	3,245,380	0	0	3,782,361	3,245,380
Judicial	1,508,668	647,522	0	0	1,508,668	647,522
Public Safety	5,049,322	3,576,053	0	0	5,049,322	3,576,053
Public Works	5,907,761	3,777,275	0	0	5,907,761	3,777,275
Public Works - External Portion	0	1,600,000	0	0	0	1,600,000
Health	1,722,258	1,422,286	0	0	1,722,258	1,422,286
Human Services	6,143,514	4,846,678	0	0	6,143,514	4,846,678
Conservation and Recreation	92,782	94,575	0	0	92,782	94,575
Economic Development and Assistance	1,285,026	714,923	0	0	1,285,026	714,923
Economic Development and Assistance - External Portion	445,287	617,603	0	0	445,287	617,603
Interest	21,991	23,657	0	0	21,991	23,657
Sewer	0	0	491,810	514,581	491,810	514,581
Total Expenses	<u>25,958,970</u>	<u>20,565,952</u>	<u>491,810</u>	<u>514,581</u>	<u>26,450,780</u>	<u>21,080,533</u>
Increase (Decrease) before Transfers	1,829,065	4,868,652	(215,252)	(283,398)	1,613,813	4,585,254
Transfers	<u>(30,530)</u>	<u>(34,545)</u>	<u>30,530</u>	<u>34,545</u>	<u>0</u>	<u>0</u>
Change in Net Position	1,798,535	4,834,107	(184,722)	(248,853)	1,613,813	4,585,254
Net Position Beginning of Year	<u>49,067,278</u>	<u>44,233,171</u>	<u>7,375,035</u>	<u>7,623,888</u>	<u>56,442,313</u>	<u>51,857,059</u>
Net Position End of Year	<u>\$50,865,813</u>	<u>\$49,067,278</u>	<u>\$7,190,313</u>	<u>\$7,375,035</u>	<u>\$58,056,126</u>	<u>\$56,442,313</u>

Governmental Activities

The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. As the result of legislation enacted in 1976, the overall revenue generated by a levy will not increase solely as a result of inflation. As an example, a homeowner with a home valued at \$100,000 and taxed at 1.0 mill would pay \$35.00 annually in taxes. If three years later the home was reappraised and increased to \$200,000 (and this inflationary increase in value is comparable to other property owners) the effective tax rate would become .5 mills and the owner would still pay \$35.00.

**Noble County
Management's Discussion and Analysis
For the Year Ended December 31, 2023
Unaudited**

The County, which is dependent upon property taxes, is hampered by a lack of revenue growth and must periodically return to the voters to maintain a constant level of service. Property and sales taxes made up 30 percent of total revenues for governmental activities for the County in the year 2023. Collectively, property taxes and sales taxes increased \$431,695 from the prior year.

Intergovernmental and investment earnings revenues increased \$350,455 and \$682,192 from the prior year due to the County pursuing additional state and federal grants and rising interest rates.

The largest Governmental Activities program expenses are public works, human services, public safety, and legislative and executive, which collectively comprises 80 percent of total expenses. Overall program expenses increased by \$5,393,018 primarily due to changes in pension/OPEB expenses, which are not within the County's administrative control. Additionally, the County continues to expand services being provided by the County in a number of areas.

Business-Type Activities

The net position for business-type activities decreased \$184,722 during 2023. Program revenues increased in the amount of \$40,132, due to a increase in charges for services related to sewer operations.

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

Table 3

	Total Cost of Services <u>2023</u>	Net Cost of Services <u>2023</u>	Total Cost of Services <u>2022</u>	Net Cost of Services <u>2022</u>
General Government				
Legislative and Executive	\$3,782,361	\$1,848,918	\$3,245,380	\$921,672
Judicial	1,508,668	961,008	647,522	352,465
Public Safety	5,049,322	3,053,415	3,576,053	2,089,594
Public Works	5,907,761	(438,896)	3,777,275	(1,986,373)
Public Works - External Portion	0	0	1,600,000	0
Health	1,722,258	1,147,538	1,422,286	1,249,179
Human Services	6,143,514	1,916,264	4,846,678	725,312
Conservation and Recreation	92,782	31,700	94,575	36,938
Economic Development and Assistance	1,285,026	141,703	714,923	428,154
Economic Development and Assistance and Assistance - External Portion	445,287	419,105	617,603	590,366
Interest	21,991	21,991	23,657	23,657
Total Expenses	<u>\$25,958,970</u>	<u>\$9,102,746</u>	<u>\$20,565,952</u>	<u>\$4,430,964</u>

Operating grants, contributions, and interest (73 percent) are the primary source of program revenues, whereas property and sales taxes (75 percent) are the primary sources of general revenues. The County's dependence upon tax revenues for the shortfall in program revenues is apparent. The net cost of \$1,848,918 in the legislative and executive program represents activities that serve the County's residents. As a result, this program relies on the general revenues of the County to support its activities. Other programs that have a large net cost are the public safety, health programs, and economic development and assistance. To help reduce the tax burden and increase program revenues for public safety programs, the County has contracts for the housing of prisoners from other entities outside the County.

**Noble County
Management's Discussion and Analysis
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Also, the voters have approved tax levies for the board of developmental disabilities and health department programs to provide general revenue for the implementation of health programs in the County. Tax levies have also been approved for ambulance and senior citizens services in order to cover the net cost of human service programs. A tax levy has been approved for economic development costs associated with the cooperative extension department of the County.

The County's Funds

Governmental Funds - The focus of the County's governmental-type activities is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the County's financial requirements. In particular, unassigned fund balance may serve as a useful measure of a County's net resources available for spending at the end of the calendar year.

The General Fund is the chief operating fund of the County. At the end of the current year, the fund balance of the General Fund was \$4,754,452. The fund balance of the General Fund increased by \$173,278 from the prior year. This change shows the impact that state and federal funding can have on the effort of the County to try and keep expenditures in line with/or below current revenue streams.

The Motor Vehicle and Gasoline Tax Special Revenue Fund balance increased by \$801,673, to end the year at \$3,747,780. The increase in fund balance is due to an increase in intergovernmental and miscellaneous revenues. Intergovernmental revenue increased due to additional gasoline taxes and OPWC receipts for various projects. Miscellaneous receipts increased due to the County receiving additional reimbursements from various organizations compared to prior year.

The Public Assistance Special Revenue Fund balance decreased by \$64,670, to end the year at \$147,684. During the year, expenditures increased slightly and outpaced the slight growth in revenue.

The Board of Developmental Disabilities Special Revenue Fund balance increased in the amount of \$395,091, to end the year at \$4,244,789. This Department strives to keep current year expenditures less than beginning balance in anticipation of avoiding deficit spending. The property tax levy approved by the voters helps the County achieve this goal.

The Ambulance Services Fund ended the year with a fund balance of \$2,242,800. This fund balance remained steady with an decrease of \$28,568 from the prior year.

Proprietary Fund - The County's enterprise funds are used to report functions presented as business-type activities on the government-wide financial statements. The County uses an enterprise fund to account for the Sewer Fund activities. As of December 31, 2023, the net position for the County's enterprise fund was \$7,190,313. Of that total, \$59,388 represents unrestricted net position that is available for spending at the County's discretion. The remainder of this net position is invested in capital assets reduced by the borrowing used to fund these assets.

General Fund Budgeting Highlights

The County'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. By State statute, the Board of County Commissioners adopts a permanent annual operating budget for the County prior to the first day of April.

During the course of 2023, the County's original budget was amended several times.

**Noble County
Management's Discussion and Analysis
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For the General Fund, final budgeted revenue estimates were \$2,917,624 higher than actual results. This was due to conservative estimates for charges for services, sales tax, and interest that are hard to predict actual results. Final budgeted amounts in the legislative and executive program were \$765,830 more than actual amounts. The County expected more expenditures in the contingency line item of the General Fund's budget that did not occur.

The County's General Fund ending unobligated cash balance was \$3,746,032 above the final budgeted amounts primarily due to conservative estimates for both revenues and expenditures.

Capital Assets and Debt Administration

Capital Assets

The County's capital assets for governmental and business-type activities as of December 31, 2023, were \$42,269,039 (net of accumulated depreciation). This includes land, buildings and improvements, machinery, equipment, furniture and fixtures, vehicles, and infrastructure.

Table 4 shows 2023 balances compared to 2022 after accumulated depreciation of \$20,827,460 for governmental activities and \$2,317,849 for business-type activities:

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Land	\$865,586	\$865,586	\$17,500	\$17,500	\$883,086	\$883,086
Gravel Roads/Bases	15,640,393	14,802,484	0	0	15,640,393	14,802,484
Buildings and Improvements	5,642,614	5,956,101	0	0	5,642,614	5,956,101
Machinery, Equipment, Furniture and Fixtures	2,538,003	2,109,738	0	0	2,538,003	2,109,738
Vehicles	1,227,757	1,309,973	0	0	1,227,757	1,309,973
Infrastructure	8,726,024	9,375,920	7,611,162	7,845,470	16,337,186	17,221,390
Total Capital Assets	\$34,640,377	\$34,419,802	\$7,628,662	\$7,862,970	\$42,269,039	\$42,282,772

For governmental activities, major capital asset additions during 2023 included work on the County's roads and bridges and infrastructure improvements, and the purchase of machinery, equipment, furniture and fixtures. For business-type activities, the net decrease in book value amounts from the prior year results from current year depreciation exceeding capitalization. See Note 9 for more detailed information on the County's capital assets.

Debt

At December 31, 2023, the County had \$1,698,507 in outstanding long-term debt with \$139,798 due within one year. Table 5 below outlines the long-term debt held by the County during 2023 and 2022.

**Noble County
Management’s Discussion and Analysis
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Unaudited**

Table 5
Long-Term Debt

	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
General Obligation Bonds	\$1,047,258	\$1,131,632	\$0	\$0	\$1,047,258	\$1,131,632
OPWC Loans	153,512	0	0	0	153,512	0
OWDA Loans	0	0	497,737	543,797	497,737	543,797
Total Long-Term Debt	<u>\$1,200,770</u>	<u>\$1,131,632</u>	<u>\$497,737</u>	<u>\$543,797</u>	<u>\$1,698,507</u>	<u>\$1,675,429</u>

See Note 15 for more detailed information on the County’s debt. In addition to the above debt, the County is presenting long-term liabilities for net pension, asset retirement obligation, and compensated absences.

Current Economic Factors

As the world emerges from the COVID-19 pandemic, revenue for the County continued to increase. The demand for affordable housing is putting pressure on home sales in the County. Ohio experienced the 2023 Triennial valuation in 13 counties, Noble County included. The State demanded higher valuation than in previous years causing an uproar by Counties needing to increase property values therefore proportionally increasing taxes. The State and counties are working to resolve the problem.

The County General Fund is in demand as the judicial and law enforcement offices expand.

Contacting the County’s Financial Management

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the County’s finances and to show the County’s accountability for the money it receives. If you have questions about this report or need additional financial information contact the Auditor of Noble County, Courthouse, Caldwell, Ohio 43724.

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Noble County, Ohio
Statement of Net Position
December 31, 2023

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$21,515,954	\$59,243	\$21,575,197
Cash and Cash Equivalents In Segregated Accounts	15,093	0	15,093
Materials and Supplies Inventory	235,170	0	235,170
Accrued Interest Receivable	17,043	0	17,043
Accounts Receivable	202,902	72,844	275,746
Prepaid Items	156,379	368	156,747
Permissive Motor Vehicle License Tax Receivable	4,299	0	4,299
Sales Taxes Receivable	832,127	0	832,127
Property Taxes Receivable	6,771,702	0	6,771,702
Intergovernmental Receivable	4,404,462	0	4,404,462
Loans Receivable	1,782	0	1,782
Lodging Taxes Receivable	23,782	0	23,782
Net Pension Asset	93,810	0	93,810
Non-Depreciable Capital Assets	16,505,979	17,500	16,523,479
Depreciable Capital Assets, Net	18,134,398	7,611,162	25,745,560
<i>Total Assets</i>	<u>68,914,882</u>	<u>7,761,117</u>	<u>76,675,999</u>
Deferred Outflows of Resources			
Pension	6,006,252	0	6,006,252
OPEB	885,246	0	885,246
Asset Retirement Obligation	0	81,991	81,991
<i>Total Deferred Outflows of Resources</i>	<u>6,891,498</u>	<u>81,991</u>	<u>6,973,489</u>
Liabilities			
Accrued Wages and Benefits	258,015	2,388	260,403
Payroll Withholdings Payable	221,809	495	222,304
Intergovernmental Payable	360,893	11,256	372,149
Accounts Payable	305,212	3,616	308,828
Contracts Payable	192,655	0	192,655
Accrued Interest Payable	7,971	0	7,971
Claims Payable	105,437	0	105,437
Unearned Revenue	628,191	0	628,191
Long-Term Liabilities:			
Due Within One Year	402,486	46,138	448,624
Due In More Than One Year:			
Net Pension Liability	13,628,299	0	13,628,299
Net OPEB Liability	280,070	0	280,070
Other Amounts	1,750,360	588,902	2,339,262
<i>Total Liabilities</i>	<u>18,141,398</u>	<u>652,795</u>	<u>18,794,193</u>
Deferred Inflows of Resources			
Property Taxes	6,639,496	0	6,639,496
Pension	67,303	0	67,303
OPEB	92,370	0	92,370
<i>Total Deferred Inflows of Resources</i>	<u>6,799,169</u>	<u>0</u>	<u>6,799,169</u>
Net Position			
Net Investment in Capital Assets	33,439,607	7,130,925	40,570,532
Restricted for:			
Capital Projects	103,056	0	103,056
Public Assistance	205,309	0	205,309
Child Support Enforcement	620,903	0	620,903
Children Services	303,494	0	303,494
Roads and Bridges	5,202,616	0	5,202,616
Board of Developmental Disabilities	4,333,721	0	4,333,721
Community Development	688,004	0	688,004
Revolving Loan Program	1,782	0	1,782
Real Estate Assessment/Delinquent Real Estate Tax and Collection	1,907,825	0	1,907,825
Court Corrections	678,651	0	678,651
Ambulance Services	2,274,738	0	2,274,738
Cooperative Extension	756,369	0	756,369
Senior Citizens Services	484,118	0	484,118
Federal and Local Emergency Management	57,293	0	57,293
911 Services	379,743	0	379,743
Pension / OPEB	615,277	0	615,277
Other Purposes	958,280	0	958,280
Unrestricted (Deficit)	(2,144,973)	59,388	(2,085,585)
<i>Total Net Position</i>	<u>\$50,865,813</u>	<u>\$7,190,313</u>	<u>\$58,056,126</u>

See accompanying notes to the basic financial statements

Noble County, Ohio
Statement of Activities
For the Year Ended December 31, 2023

	Program Revenues				Net (Expense) Revenue and Change in Net Position		
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
Governmental Activities:							
General Government:							
Legislative and Executive	\$3,782,361	\$1,771,241	\$162,202	\$0	(\$1,848,918)	\$0	(\$1,848,918)
Judicial	1,508,668	272,064	275,596	0	(961,008)	0	(961,008)
Public Safety	5,049,322	1,067,306	928,601	0	(3,053,415)	0	(3,053,415)
Public Works	5,907,761	71,803	5,951,282	323,572	438,896	0	438,896
Health	1,722,258	265,723	308,997	0	(1,147,538)	0	(1,147,538)
Human Services	6,143,514	712,587	3,514,663	0	(1,916,264)	0	(1,916,264)
Conservation and Recreation	92,782	59,882	1,200	0	(31,700)	0	(31,700)
Economic Development and Assistance	1,285,026	0	1,143,323	0	(141,703)	0	(141,703)
Economic Development and Assistance - External Portion	445,287	0	26,182	0	(419,105)	0	(419,105)
Interest	21,991	0	0	0	(21,991)	0	(21,991)
<i>Total Governmental Activities</i>	<u>25,958,970</u>	<u>4,220,606</u>	<u>12,312,046</u>	<u>323,572</u>	<u>(9,102,746)</u>	<u>0</u>	<u>(9,102,746)</u>
Business-Type Activities:							
Sewer	491,810	210,315	28,255	0	0	(253,240)	(253,240)
<i>Total Primary Government</i>	<u>\$26,450,780</u>	<u>\$4,430,921</u>	<u>\$12,340,301</u>	<u>\$323,572</u>	<u>(9,102,746)</u>	<u>(253,240)</u>	<u>(9,355,986)</u>
General Revenues							
Property Taxes Levied for:							
General Purposes					2,238,610	0	2,238,610
Health					1,747,443	0	1,747,443
Human Services					1,053,762	0	1,053,762
Economic Development and Assistance					745,953	0	745,953
Sales Taxes Levied for General Purposes					2,465,514	0	2,465,514
Grants and Entitlements not Restricted to Specific Programs					839,292	0	839,292
Investment Earnings					809,979	0	809,979
Other					1,031,258	37,988	1,069,246
<i>Total General Revenues</i>					<u>10,931,811</u>	<u>37,988</u>	<u>10,969,799</u>
Transfers					(30,530)	30,530	0
<i>Total General Revenues and Transfers</i>					<u>10,901,281</u>	<u>68,518</u>	<u>10,969,799</u>
<i>Change in Net Position</i>					<u>1,798,535</u>	<u>(184,722)</u>	<u>1,613,813</u>
<i>Net Position Beginning of Year</i>					<u>49,067,278</u>	<u>7,375,035</u>	<u>56,442,313</u>
<i>Net Position End of Year</i>					<u>\$50,865,813</u>	<u>\$7,190,313</u>	<u>\$58,056,126</u>

See accompanying notes to the basic financial statements

**Noble County, Ohio
Balance Sheet
Governmental Funds
December 31, 2023**

	General	Motor Vehicle and Gasoline Tax	Public Assistance	Board of Developmental Disabilities	Ambulance Services	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	\$4,427,723	\$2,869,324	\$338,305	\$4,174,581	\$2,370,770	\$6,599,135	\$20,779,838
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0	0	15,093	15,093
Sales Tax Receivable	832,127	0	0	0	0	0	832,127
Materials and Supplies Inventory	50,227	176,563	2,499	967	0	4,914	235,170
Accrued Interest Receivable	15,027	2,016	0	0	0	0	17,043
Accounts Receivable	1,776	0	0	177	0	200,949	202,902
Intergovernmental Receivable	627,864	2,480,566	159,853	83,489	14,491	1,038,199	4,404,462
Interfund Receivable	164,988	0	174,443	170,000	0	127,970	637,401
Prepaid Items	70,689	7,106	9,647	207	0	68,730	156,379
Property Taxes Receivable	2,688,528	0	0	1,589,098	932,911	1,561,165	6,771,702
Permissive Motor Vehicle License Tax Receivable	0	4,299	0	0	0	0	4,299
Loans Receivable	0	0	0	0	0	1,782	1,782
Lodging Taxes Receivable	0	0	0	0	0	23,782	23,782
Restricted Cash and Cash Equivalents	26,780	300,075	0	0	0	0	326,855
Total Assets	\$8,905,729	\$5,839,949	\$684,747	\$6,018,519	\$3,318,172	\$9,641,719	\$34,408,835
Liabilities							
Accounts Payable	\$70,439	\$92,427	\$21,973	\$5,538	\$0	\$114,835	\$305,212
Accrued Wages Payable	125,196	46,799	42,477	1,747	0	41,796	258,015
Payroll Withholdings Payable	189,497	14,420	8,734	487	0	8,671	221,809
Contracts Payable	0	0	0	0	0	192,655	192,655
Interfund Payable	0	0	106,122	0	127,970	388,309	622,401
Unearned Revenue	0	300,075	0	0	0	328,116	628,191
Intergovernmental Payable	159,712	27,772	45,153	106,942	0	21,314	360,893
Total Liabilities	\$544,844	\$481,493	\$224,459	\$114,714	\$127,970	\$1,095,696	\$2,589,176
Deferred Inflows of Resources							
Property Taxes	2,621,515	0	0	1,570,084	915,464	1,532,433	6,639,496
Unavailable Revenue	984,918	1,610,676	312,604	88,932	31,938	1,221,494	4,250,562
Total Deferred Inflows of Resources	\$3,606,433	\$1,610,676	\$312,604	\$1,659,016	\$947,402	\$2,753,927	\$10,890,058
Fund Balances							
Nonspendable	147,696	183,669	12,146	1,174	0	75,426	420,111
Restricted	0	3,564,111	135,538	4,243,615	2,242,800	5,744,534	15,930,598
Committed	41,107	0	0	0	0	0	41,107
Assigned	3,610,890	0	0	0	0	0	3,610,890
Unassigned	954,759	0	0	0	0	(27,864)	926,895
Total Fund Balances	\$4,754,452	\$3,747,780	\$147,684	\$4,244,789	\$2,242,800	\$5,792,096	\$20,929,601
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$8,905,729	\$5,839,949	\$684,747	\$6,018,519	\$3,318,172	\$9,641,719	\$34,408,835

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

Total Governmental Fund Balances	\$20,929,601
Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds.	34,640,377
Other long-term assets are not available to pay for current-period expenditures and, therefore, deferred in the funds:	
Delinquent Property Taxes	132,206
Sales Taxes	416,361
Charges for Services	303,029
Fines, Forfeitures, and Settlements	195,118
Intergovernmental	2,967,162
Other	236,686
	<u>4,250,562</u>

The internal service fund is used by management to charge the costs of insurance maintenance to individual funds.

The assets and liabilities of the internal service fund is included in governmental activities in the statement of net position. 288,824

The net pension asset, net pension liability, and net OPEB liability are not due and payable in the current period, therefore, the asset, liability, and related deferred inflows/outflows are not reported in governmental funds:

Net Pension Asset	93,810	
Deferred Outflows - Pension	6,006,252	
Deferred Outflows - OPEB	885,246	
Net Pension Liability	(13,628,299)	
Net OPEB Liability	(280,070)	
Deferred Inflows - Pension	(67,303)	
Deferred Inflows - OPEB	(92,370)	(7,082,734)

Long-term liabilities and accrued interest are not due and payable in the current period and, therefore, are not reported in the funds:

General Obligation Bonds	(1,047,258)	
OPWC Loans	(153,512)	
Compensated Absences	(952,076)	
Accrued Interest Payable	(7,971)	(2,160,817)

Net Position of Governmental Activities \$50,865,813

See accompanying notes to the basic financial statements

Noble County, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023

	General	Motor Vehicle and Gasoline Tax	Public Assistance	Board of Developmental Disabilities	Ambulance Services	Other Governmental Funds	Total Governmental Funds
Revenues							
Property Taxes	\$2,232,787	\$0	\$0	\$1,337,292	\$798,590	\$1,412,356	\$5,781,025
Sales Taxes	2,241,387	0	0	0	0	0	2,241,387
Permissive Motor Vehicle License Taxes	0	58,879	0	0	0	0	58,879
Charges for Services	2,003,711	0	639,650	0	0	937,406	3,580,767
Licenses and Permits	2,032	0	0	0	0	15	2,047
Fines, Forfeitures, and Settlements	91,335	12,924	0	0	0	96,747	201,006
Intergovernmental	938,496	5,540,981	2,350,204	152,764	28,649	3,449,996	12,461,090
Investment Earnings and Other Interest	809,979	91,668	0	0	0	0	901,647
Rent	105,022	0	0	0	0	0	105,022
Contributions and Donations	77,097	0	0	0	0	126,936	204,033
Other	208,666	534,762	39,973	9,810	0	183,166	976,377
<i>Total Revenues</i>	<u>8,710,512</u>	<u>6,239,214</u>	<u>3,029,827</u>	<u>1,499,866</u>	<u>827,239</u>	<u>6,206,622</u>	<u>26,513,280</u>
Expenditures							
Current:							
General Government:							
Legislative and Executive	2,911,933	0	0	0	0	660,542	3,572,475
Judicial	952,651	0	0	0	0	165,329	1,117,980
Public Safety	3,396,209	0	0	0	0	1,501,906	4,898,115
Public Works	44,795	5,591,053	0	0	0	500,539	6,136,387
Health	70,952	0	0	1,104,775	0	518,106	1,693,833
Human Services	347,016	0	3,113,703	0	855,807	1,596,495	5,913,021
Conservation and Recreation	0	0	0	0	0	70,310	70,310
Economic Development and Assistance	0	0	0	0	0	1,285,026	1,285,026
Intergovernmental	27,000	0	0	0	0	418,287	445,287
Debt Service:							
Principal Retirement	0	0	0	0	0	84,374	84,374
Interest	0	0	0	0	0	22,633	22,633
<i>Total Expenditures</i>	<u>7,750,556</u>	<u>5,591,053</u>	<u>3,113,703</u>	<u>1,104,775</u>	<u>855,807</u>	<u>6,823,547</u>	<u>25,239,441</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>959,956</u>	<u>648,161</u>	<u>(83,876)</u>	<u>395,091</u>	<u>(28,568)</u>	<u>(616,925)</u>	<u>1,273,839</u>
Other Financing Sources (Use)							
Proceeds of OPWC Loans	0	153,512	0	0	0	0	153,512
Transfers In	0	0	19,206	0	0	667,120	686,326
Transfers Out	(786,678)	0	0	0	0	0	(786,678)
<i>Total Other Financing Sources (Use)</i>	<u>(786,678)</u>	<u>153,512</u>	<u>19,206</u>	<u>0</u>	<u>0</u>	<u>667,120</u>	<u>53,160</u>
<i>Net Change in Fund Balances</i>	173,278	801,673	(64,670)	395,091	(28,568)	50,195	1,326,999
<i>Fund Balances Beginning of Year</i>	<u>4,581,174</u>	<u>2,946,107</u>	<u>212,354</u>	<u>3,849,698</u>	<u>2,271,368</u>	<u>5,741,901</u>	<u>19,602,602</u>
<i>Fund Balances End of Year</i>	<u>\$4,754,452</u>	<u>\$3,747,780</u>	<u>\$147,684</u>	<u>\$4,244,789</u>	<u>\$2,242,800</u>	<u>\$5,792,096</u>	<u>\$20,929,601</u>

See accompanying notes to the basic financial statements

Noble County, Ohio
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2023

Net Change in Fund Balances - Governmental Funds		\$1,326,999
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period:		
Capital Asset Additions	2,288,234	
Current Year Depreciation	<u>(2,067,659)</u>	220,575
Revenues/expenses in the statement of activities that do not provide current financial resources are not reported as revenues/expenditures in the funds:		
Delinquent Property Taxes	4,743	
Sales Taxes	224,127	
Charges for Services	77,767	
Fines, Forfeitures, and Settlements	195,118	
Intergovernmental	718,119	
Other	<u>54,881</u>	1,274,755
Contractually required contributions are reported as expenditures in governmental funds; however, the statement of net position reports these amounts as deferred outflows:		
Pension	1,172,265	
OPEB	<u>5,879</u>	1,178,144
Except for amounts reported as deferred inflows/outflows, changes in the net pension/OPEB liability/asset are reported as pension/OPEB expense in the statement of activities.		
Pension	(2,632,536)	
OPEB	<u>476,925</u>	(2,155,611)
Issuance of debt is reported as other financing sources in governmental funds, but the issuance increases the long-term liabilities on the statement of net position:		
OPWC Loans		(153,512)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position:		
General Obligation Bonds		84,374
Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of activities.		
		642
The internal service fund is used by management to charge the costs of issuance to individual funds not reported in the statement of activities. Governmental fund expenditures and the related internal service fund revenues are eliminated. The net change of the internal service funds is allocated among governmental activities.		
		98,465
Expenses reported in the statement of activities relating to compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		<u>(76,296)</u>
Change in Net Position of Governmental Activities		<u><u>\$1,798,535</u></u>

See accompanying notes to the basic financial statements

Noble County, Ohio
Statement of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2023

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
Revenues				
Property Taxes	\$1,581,527	\$1,662,850	\$2,229,470	\$566,620
Sales Taxes	1,100,000	1,100,000	2,179,966	1,079,966
Charges for Services	1,408,350	1,408,350	1,957,983	549,633
Licenses and Permits	1,640	1,640	2,032	392
Fines and Forfeitures	55,000	55,000	87,263	32,263
Intergovernmental	500,000	562,029	896,467	334,438
Interest	135,000	135,000	760,941	625,941
Rent	90,000	90,000	105,822	15,822
Contributions and Donations	100,000	104,193	77,097	(27,096)
Other	449,415	474,564	214,209	(260,355)
<i>Total Revenues</i>	<u>5,420,932</u>	<u>5,593,626</u>	<u>8,511,250</u>	<u>2,917,624</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	3,848,673	3,890,457	3,124,627	765,830
Judicial	850,878	900,138	957,609	(57,471)
Public Safety	3,160,660	3,230,312	3,408,373	(178,061)
Public Works	49,832	49,832	44,803	5,029
Health	141,388	141,388	80,129	61,259
Human Services	419,007	418,669	354,564	64,105
Intergovernmental	37,000	33,500	27,000	6,500
<i>Total Expenditures</i>	<u>8,507,438</u>	<u>8,664,296</u>	<u>7,997,105</u>	<u>667,191</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(3,086,506)</u>	<u>(3,070,670)</u>	<u>514,145</u>	<u>3,584,815</u>
Other Financing Sources (Uses)				
Proceeds from Sale of Capital Assets	1,000	1,000	0	(1,000)
Advances In	0	0	120,164	120,164
Advances Out	0	0	(40,834)	(40,834)
Transfers Out	(870,000)	(869,565)	(786,678)	82,887
<i>Total Other Financing Sources (Uses)</i>	<u>(869,000)</u>	<u>(868,565)</u>	<u>(707,348)</u>	<u>161,217</u>
<i>Net Change in Fund Balance</i>	(3,955,506)	(3,939,235)	(193,203)	3,746,032
<i>Fund Balance at Beginning of Year</i>	3,913,617	3,913,617	3,913,617	0
<i>Prior Year Encumbrances Appropriated</i>	<u>207,086</u>	<u>207,086</u>	<u>207,086</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$165,197</u>	<u>\$181,468</u>	<u>\$3,927,500</u>	<u>\$3,746,032</u>

See accompanying notes to the basic financial statements

Noble County, Ohio
Statement of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Motor Vehicle and Gasoline Tax Fund
For the Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Permissive Motor Vehicle License Tax	\$56,300	\$56,300	\$58,480	\$2,180
Fines and Forfeitures	6,100	6,100	12,514	6,414
Intergovernmental	4,580,000	4,580,000	5,460,736	880,736
Interest	11,500	11,500	84,866	73,366
Other	1,380	326,373	542,501	216,128
<i>Total Revenues</i>	<u>4,655,280</u>	<u>4,980,273</u>	<u>6,159,097</u>	<u>1,178,824</u>
Expenditures				
Current:				
Public Works	<u>5,008,278</u>	<u>6,052,682</u>	<u>5,780,062</u>	<u>272,620</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(352,998)</u>	<u>(1,072,409)</u>	<u>379,035</u>	<u>1,451,444</u>
Other Financing Sources				
Proceeds from the Sale of Capital Assets	50,000	50,000	0	(50,000)
Proceeds of OPWC Loans	0	0	153,512	153,512
<i>Total Other Financing Sources</i>	<u>50,000</u>	<u>50,000</u>	<u>153,512</u>	<u>103,512</u>
<i>Net Change in Fund Balance</i>	(302,998)	(1,022,409)	532,547	1,554,956
<i>Fund Balance at Beginning of Year</i>	<u>2,295,785</u>	<u>2,295,785</u>	<u>2,295,785</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$1,992,787</u></u>	<u><u>\$1,273,376</u></u>	<u><u>\$2,828,332</u></u>	<u><u>\$1,554,956</u></u>

See accompanying notes to the basic financial statements

Noble County, Ohio
Statement of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Public Assistance Fund
For the Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$800,000	\$800,000	\$634,587	(\$165,413)
Intergovernmental	2,293,357	2,293,357	2,350,204	56,847
Other	60,000	60,000	40,825	(19,175)
<i>Total Revenues</i>	<u>3,153,357</u>	<u>3,153,357</u>	<u>3,025,616</u>	<u>(127,741)</u>
Expenditures				
Current:				
Human Services	<u>3,414,533</u>	<u>3,414,533</u>	<u>3,143,676</u>	<u>270,857</u>
<i>Excess of Revenues Under Expenditures</i>	(261,176)	(261,176)	(118,060)	143,116
Other Financing Source				
Transfers In	<u>0</u>	<u>0</u>	<u>19,206</u>	<u>19,206</u>
<i>Net Change in Fund Balance</i>	(261,176)	(261,176)	(98,854)	162,322
<i>Fund Balance at Beginning of Year</i>	378,025	378,025	378,025	0
<i>Prior Year Encumbrances Appropriated</i>	<u>5,767</u>	<u>5,767</u>	<u>5,767</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$122,616</u></u>	<u><u>\$122,616</u></u>	<u><u>\$284,938</u></u>	<u><u>\$162,322</u></u>

See accompanying notes to the basic financial statements

Noble County, Ohio
Statement of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Board of Developmental Disabilities Fund
For the Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$1,175,164	\$1,175,164	\$1,334,617	\$159,453
Intergovernmental	74,000	74,000	147,847	73,847
Other	100,000	100,000	9,953	(90,047)
<i>Total Revenues</i>	<u>1,349,164</u>	<u>1,349,164</u>	<u>1,492,417</u>	<u>143,253</u>
Expenditures				
Current:				
Health	<u>1,162,120</u>	<u>1,412,120</u>	<u>1,246,908</u>	<u>165,212</u>
<i>Net Change in Fund Balance</i>	187,044	(62,956)	245,509	308,465
<i>Fund Balance at Beginning of Year</i>	<u>3,908,410</u>	<u>3,908,410</u>	<u>3,908,410</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$4,095,454</u></u>	<u><u>\$3,845,454</u></u>	<u><u>\$4,153,919</u></u>	<u><u>\$308,465</u></u>

See accompanying notes to the basic financial statements

Noble County, Ohio
Statement of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Ambulance Services Fund
For the Year Ended December 31, 2023

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$764,717	\$764,717	\$797,253	\$32,536
Intergovernmental	28,000	28,000	28,649	649
<i>Total Revenues</i>	<u>792,717</u>	<u>792,717</u>	<u>825,902</u>	<u>33,185</u>
Expenditures				
Current:				
Human Services	<u>953,489</u>	<u>953,489</u>	<u>856,706</u>	<u>96,783</u>
<i>Net Change in Fund Balance</i>	(160,772)	(160,772)	(30,804)	129,968
<i>Fund Balance at Beginning of Year</i>	2,388,125	2,388,125	2,388,125	0
<i>Prior Year Encumbrances Appropriated</i>	<u>3,489</u>	<u>3,489</u>	<u>3,489</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$2,230,842</u></u>	<u><u>\$2,230,842</u></u>	<u><u>\$2,360,810</u></u>	<u><u>\$129,968</u></u>

See accompanying notes to the basic financial statements

Noble County, Ohio
Statement of Fund Net Position
Proprietary Funds
December 31, 2023

	Business-Type Activity <u>Sewer</u>	Governmental Activities - <u>Internal Service</u>
Assets		
Current Assets:		
Equity in Pooled Cash and Cash Equivalents	\$59,243	\$409,261
Accounts Receivable	72,844	0
Prepaid Items	368	0
<i>Total Current Assets</i>	<u>132,455</u>	<u>409,261</u>
Noncurrent Assets:		
Non-Depreciable Capital Assets	17,500	0
Depreciable Capital Assets, Net	7,611,162	0
<i>Total Noncurrent Assets</i>	<u>7,628,662</u>	<u>0</u>
<i>Total Assets</i>	<u>7,761,117</u>	<u>409,261</u>
Deferred Outflows of Resources		
Asset Retirement Obligation	81,991	0
Liabilities		
Current Liabilities:		
Accrued Wages and Benefits Payable	2,388	0
Payroll Withholdings Payable	495	0
Compensated Absences Payable	78	0
Intergovernmental Payable	11,256	0
Claims Payable	0	105,437
Accounts Payable	3,616	0
Interfund Payable	0	15,000
OWDA Loans Payable	46,060	0
<i>Total Current Liabilities</i>	<u>63,893</u>	<u>120,437</u>
Long-Term Liabilities (Net of Current Portion):		
Compensated Absences Payable	27,225	0
Asset Retirement Obligation Payable	110,000	0
OWDA Loans Payable	451,677	0
<i>Total Noncurrent Liabilities</i>	<u>588,902</u>	<u>0</u>
<i>Total Liabilities</i>	<u>652,795</u>	<u>120,437</u>
Net Position		
Net Investment in Capital Assets	7,130,925	0
Unrestricted	59,388	288,824
<i>Total Net Position</i>	<u>\$7,190,313</u>	<u>\$288,824</u>

See accompanying notes to the basic financial statements

Noble County, Ohio
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2023

	Business-Type Activity Sewer	Governmental Activities - Internal Service
Operating Revenues		
Charges for Services	\$210,315	\$1,723,151
Other	37,988	0
<i>Total Operating Revenues</i>	248,303	1,723,151
Operating Expenses		
Personal Services	78,994	0
Contractual Services	157,684	507,038
Materials and Supplies	20,824	0
Claims	0	1,187,470
Depreciation	234,308	0
<i>Total Operating Expenses</i>	491,810	1,694,508
<i>Operating Income (Loss) before Contributions and Transfers</i>	(243,507)	28,643
Operating Contributions from Grants	28,255	0
Transfers In	30,530	69,822
<i>Change in Net Position</i>	(184,722)	98,465
<i>Net Position Beginning of Year</i>	7,375,035	190,359
<i>Net Position End of Year</i>	\$7,190,313	\$288,824

See accompanying notes to the basic financial statements

Noble County, Ohio
Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023

	Business-Type Activity <u>Sewer</u>	Governmental Activities - <u>Internal Service</u>
Increase (Decrease) in Cash and Cash Equivalents		
Cash Flows from Operating Activities		
Cash Received from Customers	\$206,679	\$0
Cash Received from Transactions with Other Funds	0	1,723,151
Cash Received from Other Operating Sources	37,988	0
Cash Payments for Employee Services and Benefits	(72,637)	0
Cash Payments for Goods and Services	(175,070)	(507,038)
Cash Payments for Claims	0	(1,145,671)
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u>(3,040)</u>	<u>70,442</u>
Cash Flows from Noncapital Financing Activities		
Transfer In	<u>30,530</u>	<u>69,822</u>
Cash Flows from Capital and Related Financing Activities		
Tap In Fees	955	0
Operating Contributions from Grants	28,255	0
Principal Paid on OWDA Loans	(46,060)	0
<i>Net Cash Used for Capital and Related Financing Activities</i>	<u>(16,850)</u>	<u>0</u>
<i>Net Increase (Decrease) in Cash and Cash Equivalents</i>	10,640	140,264
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>48,603</u>	<u>268,997</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$59,243</u></u>	<u><u>\$409,261</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities		
Operating Income (Loss)	(\$243,507)	\$28,643
Adjustment:		
Depreciation	234,308	0
Changes in Assets, Deferred Outflows of Resources, and Liabilities:		
Increase in Accounts Receivable	(3,302)	0
Increase in Interfund Payable	0	15,000
Increase in Prepaid Items	(368)	0
Decrease in Deferred Outflows of Resources - Asset Retirement Obligation	4,001	0
Decrease in Accounts Payable	(1,501)	0
Increase in Compensated Absences Payable	6,679	0
Increase in Accrued Wages and Benefits Payable	40	0
Increase in Claims Payable	0	26,799
Decrease in Payroll Withholdings Payable	(148)	0
Increase in Intergovernmental Payable	758	0
<i>Net Cash Provided by (Used for) Operating Activities</i>	<u><u>(\$3,040)</u></u>	<u><u>\$70,442</u></u>

See accompanying notes to the basic financial statements

Noble County, Ohio
Statement of Fiduciary Net Position
Custodial Funds
December 31, 2023

Assets	
Equity in Pooled Cash and Cash Equivalents	\$5,005,592
Cash and Cash Equivalents in Segregated Accounts	89,019
Accounts Receivable	96,213
Permissive Motor Vehicle License Tax Receivable	1,598
Property Taxes Receivable	43,829,497
Intergovernmental Receivable	<u>1,648,635</u>
<i>Total Assets</i>	<u>50,670,554</u>
Liabilities	
Accounts Payable	13,284
Due to Other Governments	2,110,031
Intergovernmental Payable	<u>18,653</u>
<i>Total Liabilities</i>	<u>2,141,968</u>
Deferred Inflows of Resources	
Property Taxes	<u>33,748,713</u>
Net Position	
Restricted for Individuals, Organizations, and Other Governments	<u><u>\$14,779,873</u></u>

See accompanying notes to the basic financial statements

Noble County, Ohio
Statement of Changes in Fiduciary Net Position
Custodial Funds
December 31, 2023

Additions	
Intergovernmental	\$3,353,905
Amounts Received as Fiscal Agent	4,272,914
Licenses and Permits and Fees for Other Governments	885,756
Fines and Forfeitures for Other Governments	234,056
Property Tax Collections for Other Governments	25,815,494
Sheriff Sale Collections for Other Governments	5,849
Amounts Received for Others	<u>123,631</u>
<i>Total Additions</i>	<u>34,691,605</u>
Deductions	
Distributions as Fiscal Agent	4,215,541
Distributions of State Funds to Other Governments	3,353,905
Distributions to the State of Ohio	53,371
Licenses and Permits and Fees Distributions to Other Governments	900,153
Fines and Forfeitures Distributions to Other Governments	242,732
Property Tax Distributions to Other Governments	24,497,992
Distributions to Individuals	<u>72,952</u>
<i>Total Deductions</i>	<u>33,336,646</u>
<i>Change in Net Position</i>	1,354,959
<i>Net Position Beginning of Year</i>	<u>13,424,914</u>
<i>Net Position End of Year</i>	<u><u>\$14,779,873</u></u>

See accompanying notes to the basic financial statements

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Noble County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 1 - Description of Noble County and Reporting Entity

Noble County, Ohio (the County), was created March 11, 1851. The County was the last county formed in the State of Ohio and is comprised of fifteen townships. The County is governed by a board of three Commissioners elected by the voters of the County. An elected County Auditor serves as chief fiscal officer. In addition, there are seven other elected officials, each of whom is independent as set forth in Ohio Law. These officials are the Clerk of Courts, Coroner, Engineer, Prosecuting Attorney, Recorder, Sheriff and Treasurer. Also elected, to oversee the district's justice system, are a County Court Judge and Common Pleas Judge who also serves as judge for the Probate and Juvenile Courts.

Although the elected officials manage the internal operation of their respective departments, the County Commissioners authorize expenditures as well as serve as the budget and taxing authority, contracting body and the chief administrator of public services for the County, including each of these departments.

Reporting Entity

The reporting entity is comprised of the primary government and other organizations that are included to ensure that the financial statements of the County are not misleading.

The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the County. For the County, this includes the Board of Developmental Disabilities, the Department of Job and Family Services, the Noble County Regional Planning Commission Board, and all departments and activities that are directly operated by the elected County officials.

Component units are legally separate organizations for which the County is financially accountable. The County is financially accountable for an organization if the County appoints a voting majority of the organization's governing board and (1) the County is able to significantly influence the programs or services performed or provided by the organization; or (2) the County is legally entitled to or can access the organization's resources; the County is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the County is obligated for the debt of the organization. Component units may also include organizations that are fiscally dependent on the County in that the County approves the budget, the levying of taxes, the issuance of debt, and there is a potential for the organization to provide specific financial benefits to, or impose specific financial burden on, the primary government.

The following potential component units have been excluded from the County's financial statements because the County is not financially accountable for these organizations nor are these entities for which the County approves the budget, the issuance of debt, or the levying of taxes:

Noble Counseling Center
Noble County Agricultural Society
Noble County Historical Society
Noble County Rural Water Association
Village of Caldwell, Olive Township Joint Economic Development District

As the custodian of public funds, the County Treasurer invests all public monies held on deposit in the County treasury. In the case of the separate agencies, boards, and commissions listed below, the County serves as fiscal agent, but is not financially accountable for their operations. Accordingly, the activity of the following entities is presented as custodial funds within the County's financial statements:

Noble County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Noble County Health Department is governed by a five-member Board of Health and a Health Commissioner which oversees the operation of the Health Department. The Board is elected by a District Advisory Council comprised of township trustees, county commissioners, and mayors of participating municipalities. The Board adopts its own budget, hires and fires its own staff, and operates autonomously from the County. The Board has sole budgetary authority, and controls surpluses and deficits. The County is not legally obligated for the Health Department's debt.

Noble County Soil and Water Conservation District is statutorily created as a separate and distinct political subdivision of the State. The five supervisors of the Soil and Water Conservation District are elected officials authorized to contract and sue on behalf of the District. The supervisors adopt their own budget, authorize District expenditures, hire and fire staff, and do not rely on the County to finance deficits.

Noble County Family and Children First Council accounts for State and Federal grant revenue and expenditures. The Noble County Health Department serves as administrating agent and the County Auditor serves as fiscal agent. The purpose of the Council is to help families seeking government services and to coordinate existing government services for families seeking assistance for their children.

Southeastern Ohio Joint Solid Waste Management District is a jointly governed organization and is governed and operated through three groups (See Note 20). This District was created as required by the Ohio Revised Code and provides for management strategies and local government funding on behalf of the participating counties regarding contractual arrangements with private solid waste disposal facilities, which would assure continued access to adequate disposal capacity for the District. The governing body exercises total control over the operations of the District including budgeting, appropriating, contracting, and designating management. The County is not legally obligated for the District's debt.

Noble County Regional Planning Commission is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A twenty-member board governs the commission. The Commission exercises total control over the operations of the Commission including budgeting, appropriating, contracting, and designating management. The County is not legally obligated for the Commission's debt.

The County is associated with certain organizations which are defined as Public Entity Risk Pools, Jointly Governed Organizations, or Related Organizations. These organizations are presented in Notes 19, 20, and 21 to the basic financial statements. These organizations are:

Buckeye Joint-County Insurance Council
County Commissioners' Association of Ohio Workers' Compensation Group Rating Plan
Southeastern Ohio Joint Solid Waste Management District
Mental Health and Recovery Services Board
Guernsey-Monroe-Noble Community Action Corporation (GMN)
Buckeye Hills-Hocking Valley Regional Development District
Oakview Juvenile Residential Center
Ohio Valley Employment Resource (OVER)
Noble County Metropolitan Housing Authority
Noble County Airport Authority
Transportation Improvement District

Noble County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 2 - Summary of Significant Accounting Policies

The financial statements of the County 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 most significant of the County's accounting policies are described below.

Basis of Presentation

The County'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 County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The Statement of Net Position presents the financial condition of the governmental and business-type activities of the County at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and for the business-type activities of the County. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. The policy of the County is to not allocate indirect expenses to functions in the Statement of Activities. 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 County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each business segment or governmental function is self-financing or draws from the general revenues of the County.

Fund Financial Statements During the year, the County segregates transactions related to certain County 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 County at this more detailed level. The focus of governmental and enterprise 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. Fiduciary funds are reported by type.

Fund Accounting

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. There are three categories of funds: governmental, proprietary, and 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.

Noble County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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 County's major governmental funds:

General Fund The General Fund, the County's primary operating fund, accounts for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to the County for any purpose provided it is expended or transferred according to the general laws of Ohio.

Motor Vehicle and Gasoline Tax Fund To account for revenues derived from state-shared motor vehicle license charges, gasoline taxes, and the County's permissive five dollar motor vehicle licenses charge. Expenditures in the Motor Vehicle and Gasoline Tax Special Revenue Fund are restricted by state law to County road and bridge repair and improvement programs.

Public Assistance Fund To account for account for various federal and state grants restricted to provide public assistance to general relief recipients and to pay their providers of medical assistance, and for certain public social services.

Board of Developmental Disabilities Fund To account for property tax revenues and federal and state grants. Expenditures are restricted by federal and state law to those that benefit the developmentally disabled.

Ambulance Services Fund To account for property tax revenues and federal and state grants. Expenditures are restricted by federal and state law to those that benefit the County's citizens.

The other governmental funds of the County account for grants and other resources whose use is restricted, committed, or assigned to a particular purpose.

Proprietary Fund Proprietary fund reporting focuses on the determination of operating income, changes in net position, financial position, and cash flows. Proprietary funds are classified as either enterprise or internal service.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The County reports the following major proprietary fund:

Noble County Sanitary Sewer Fund (Sewer Fund) To account for sanitary sewer services provided to individuals and commercial users. The costs of providing these services are financed primarily through user charges.

Internal Service Funds - Internal service funds account for the financing of services provided by one department or agency to other departments or agencies of the County on a cost-reimbursement basis. An internal service fund is used to account for the operation of the County's self-insurance program for employee health benefits and prescription drugs.

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

The County's fiduciary funds are custodial funds. The County's custodial funds are used to account for assets held by the County as agent for the Noble County Health Department and other districts and entities; various taxes, assessments, fines, and fees collected for the benefit of and distributed to other governments and individuals; and for State shared resources received from the State and distributed to other governments.

Noble County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the County are included on the Statement of Net Position. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g., 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 deferred outflows of resources and current liabilities and deferred inflows of resources 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 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 Changes in Revenues, Expenses, and Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in net total position. The Statement of Cash Flows provides information about how the County 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 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, in 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 year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the County, available means expected to be received within sixty days of year-end.

Noble County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale occurs. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 6). Revenue from grants, entitlements, and donations is recognized in the 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 County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County 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 year-end: sales tax (see Note 7), interest, federal and state grants and subsidies, state-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), 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.

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, represents 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 County, deferred outflows of resources are reported on the government-wide statement of net position for pension, OPEB and asset retirement obligation. The deferred outflows of resources related to pension and OPEB are explained in Notes 11 and 12. The deferred outflows of resources related to the asset retirement obligation is originally measured at the amount of the corresponding liability. This amount is expensed in a systematic and rational manner over the tangible asset's useful life.

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 as an inflow of resources (revenue) until that time. For the County, deferred inflows of resources include property taxes, unavailable revenue, pension, and OPEB. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and the governmental fund financial statements. Unavailable revenue is reported only on the Governmental Funds Balance Sheet, and represents receivables which will not be collected within the available period. For the County unavailable revenue includes delinquent property taxes, permissive sales taxes, charges for services, fines, forfeitures, and settlements, intergovernmental grants, and other miscellaneous accounts receivable. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 18. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. Deferred inflows of resources related to pension and OPEB are reported on the government-wide Statement of Net Position. (See Notes 11 and 12)

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 County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Budgetary Process

All funds, except custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of 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 amount the County Commissioners may appropriate. The appropriations resolution is the County Commissioners' authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the County Commissioners. The legal level of control has been established by the County Commissioners at the fund, program, department, and object level. Budgetary modifications may only be made by resolution of the County Commissioners.

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

The appropriation resolution is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation resolution for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the County Commissioners during the year.

Cash, Cash Equivalents, and Investments

Cash balances of the County's funds, except cash held by a trustee, fiscal agent, or held in segregated accounts, are pooled and invested in short-term investments in order to provide improved cash management. During 2023, investments were not present. Nonparticipating investment contracts such as repurchase agreements and non-negotiable certificates of deposit are reported at cost or amortized cost. Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the County 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.

The County has segregated bank accounts for monies held separate from the County's central bank accounts. These accounts are presented as "Cash and Cash Equivalents in Segregated Accounts" since they are not required to be deposited into the County treasury.

Under existing Ohio statutes all investment earnings are assigned to the general fund unless statutorily required to be credited to a specific fund. Investment earnings/interest revenue credited to the General Fund during 2023 amounted to \$809,979, which includes \$675,415 assigned from other County funds.

Restricted Assets

Assets are reported as restricted when limitations on their use change the nature or normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments, or imposed by law through constitutional provisions. Restricted assets have been reported for cash held by the County for unclaimed monies and an insurance bond held for road construction projects.

Noble County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Inventory of Supplies

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used.

Receivables and Payables

Receivables and payables are recorded on the County's financial statements to the extent that the amounts are determined material and substantiated not only by supporting documentation, but also, by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectability. Using this criteria, the County has elected to not record child support arrearages. These amounts, while potentially significant, are not considered measurable, and because collections are often significantly in arrears, the County is unable to determine a reasonable value.

Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2023, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

Capital Assets

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result 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 in the fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide Statement of Net Position and in the funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The County was able to estimate the historical cost for the initial reporting of infrastructure by back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price level 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 County maintains a capitalization threshold of ten thousand dollars. 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.

All reported capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement.

Depreciation is computed using the straight-line method over the following useful lives:

Noble County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

<u>Description</u>	Governmental and Business-Type Activities Estimated Lives
Buildings and Improvements	50 years
Machinery, Equipment, Furniture and Fixtures	5 - 20 years
Vehicles	5 - 20 years
Infrastructure	5 - 50 years

The County’s infrastructure consists of roads, bridges, and sewer lines and includes infrastructure acquired prior to 1980.

Interfund Balances

On fund financial statements, receivables and payables resulting from short-term and long-term interfund loans or interfund services provided and used are classified as “Interfund receivables/payables.” These amounts are eliminated in the governmental and business-type activities columns of the Statement of Net Position, except for any net residual amounts due between governmental and business-type activities, which are presented as internal balances.

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 the County will compensate the employees for the benefits through paid time off or some other means. The County records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. The liability for vacation benefits is recorded as long-term liabilities, as the balances can be accumulated and carried for more than one year.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the County has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year-end taking into consideration any limits specified in the County’s termination policy. The County records a liability for sick leave for employees after ten years of service at varying rates depending on County policy.

The entire compensated absences liability is reported on the government-wide financial statements. On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “Matured Compensated Absences Payable” in the fund from which the employees who have accumulated leave are paid. The non-current portion of the liability is not reported. For enterprise funds, the entire amount of compensated absences is reported as a fund liability.

Noble County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Pensions/Other Postemployment Benefits (OPEB)

For purposes of measuring the net pension/OPEB asset/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.

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported in the proprietary fund 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, compensated absences, and special termination benefits 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 year. 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, and long-term loans are recognized as a liability in the fund financial statements when due.

Capital Contributions

Contributions of capital arise from contributions of capital assets from governmental activities to business-type activities, tap-in fees to the extent they exceed the cost of the connection to the system, or from grants or outside contributions of resources restricted to capital acquisition and construction.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the County 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 legally or contractually required to be maintained intact. The "not in spendable form" includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, prepaids, as well as inventory, unless the use of the proceeds from the collection of those receivables, or from the use of the prepaids and inventory, is restricted, committed, or assigned.

Restricted 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 County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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

Assigned Amounts in the assigned fund balance classification are intended to be used by the County 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. These amounts are assigned by the County Commissioners. In the General Fund, assigned amounts represent intended uses established by the County Commissioners or a County official delegated that authority by resolution or by State Statute. State Statute authorizes the County Auditor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The County Commissioners assigned fund balance to cover a gap between estimated revenue and appropriations in 2024's appropriated budget.

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

The County 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 amounts in any of the unrestricted fund balance classifications could be used.

Net Position

Net position represents the difference between all other elements in a statement of financial position. 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 its use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes primarily include the net position relating to activity associated with miscellaneous local public safety programs. The County applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net positions is available. Restricted net position for pension and OPEB plans represent the corresponding restricted asset amounts held in trust by the pension and OPEB plans for future benefits.

Internal Activity

Transfers within governmental activities are eliminated on the government-wide statements. Transfers between governmental and business-type activities on the government-wide statements are reported in the same manner as general revenues.

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

Noble County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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 and after non-operating revenues/expenses in proprietary funds. Repayments from funds responsible for particular expenditures/expenses to the funds that initially paid for them are not presented on the financial statements.

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 County and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2023.

Operating Revenues and Expenses

Operating revenues are those revenues that are generated directly from the primary activity of the proprietary funds. For the County, these revenues are charges for services for wastewater treatment. Operating expenses are necessary costs incurred to provide the good or service that is the primary activity of the fund. Revenues and expenses not meeting these definitions are reported as non-operating.

OneOhio Opioid Settlement Monies

During 2021, Ohio reached an agreement with the three largest distributors of opioids. Subsequently, settlements have been reached with other distributors. As contingencies related to timing and measurement are resolved, a receivable will be reported in accompanying financial statements as a part of accounts receivable. As a participating subdivision, the County reported \$198,300 as a receivable related to opioid settlement monies in the OneOhio Opioid Settlement Special Revenue Fund in the accompanying financial statements.

Estimates

The preparation of the 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 Principles

For 2023, the County implemented Governmental Accounting Standards Board (GASB) No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, GASB Statement No. 96, Subscription-Based Information Technology Arrangements, and GASB Statement No. 99, Omnibus 2022.

GASB Statement 94 improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The County did not have any arrangements that met the GASB 94 definition of a PPP or an APA.

GASB Statement 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). The County did not have any contracts that met the GASB 96 definition of a SBITA, other than short-term SBITAs.

Noble County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

GASB Statement 99 addresses various issues including items related to leases, PPPs, and SBITAs. The requirements related to PPPs and SBITAs were incorporated with the corresponding GASB 94 and GASB 96 changes identified above.

For 2023, the County also implemented the guidance in GASB's Implementation Guide No. 2021-1, *Implementation Guidance Update—2021* (other than question 5.1).

Note 4 - Budgetary Basis of Accounting

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

The Statements of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual for the General Fund and each major special revenue fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures and transfers out are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).
4. Unrecorded cash, unrecorded interest, segregated cash account allocation, and prepaid items are reported on the Balance Sheet (GAAP basis), but not on the budgetary basis.
5. Cash that is held by custodial funds on behalf of County funds represent amounts not included on a budget basis are allocated and reported on the Balance Sheet (GAAP basis) in the appropriate County fund.
6. Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

Adjustments necessary to convert the results of operations at the end of the year on the Budget basis to the GAAP basis for the major funds are as follows:

Noble County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Net Change in Fund Balances
General and Major Special Revenue Funds

	General	Motor Vehicle and Gasoline Tax	Public Assistance	Board of Developmental Disabilities	Ambulance Services
GAAP Basis	\$173,278	\$801,673	(\$64,670)	\$395,091	(\$28,568)
Net Adjustment for Revenue Accruals	(142,070)	215,131	(4,211)	(4,995)	0
Beginning of the Year:					
Unrecorded Cash Custodial Fund	65,570	1,595	0	0	0
Cash Allocation	465,938	44,224	0	18,208	8,623
Prepaid Items	11,218	1,445	7,649	9,348	0
End of the Year:					
Unrecorded Cash Custodial Fund	(90,428)	(6,800)	0	0	0
Cash Allocation	(378,108)	(334,267)	0	(20,662)	(9,960)
Prepaid Items	(70,689)	(7,106)	(9,647)	(207)	0
Net Adjustment for Expenditure Accruals	(128,611)	(183,348)	247	(151,274)	(899)
Advances Out	(40,834)	0	0	0	0
Encumbrances	(58,467)	0	(28,222)	0	0
Budget Basis	<u>(\$193,203)</u>	<u>\$532,547</u>	<u>(\$98,854)</u>	<u>\$245,509</u>	<u>(\$30,804)</u>

Note 5 - Deposits and Investments

Monies held by the County are classified by State statute into two categories. Active monies are public monies determined to be necessary to meet current demands upon the County treasury. Active monies must be maintained either as cash in the County treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Monies held by the County which are not considered active are classified as inactive. Inactive monies may be deposited or invested with certain limitations in the following securities provided the County has filed a written investment policy with the Ohio Auditor of State:

1. United States Treasury bills, bonds, notes, 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, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations 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;

Noble County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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 this state or the political subdivisions of this state, provided the bonds or other obligations of political subdivisions mature within ten years from the date of settlement;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts, in eligible institutions pursuant to ORC sections 135.32;
6. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service or consisting exclusively of obligations described in (1) or (2) above; commercial paper as described in ORC section 135.143 (6); and repurchase agreements secured by such obligations, provided these investments are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange either securities or cash, equal value for equal value, within certain limitations;
9. Up to forty percent of the County's average portfolio, if training requirements have been met in either of the following:
 - a. Commercial paper notes in entities incorporated under the laws of Ohio, or any other State, that have assets exceeding five hundred million dollars, which are rated in the highest classification established by two nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation, which mature within 270 days after purchase, and the investment in commercial paper notes of a single issuer shall not exceed the aggregate five percent of interim monies available for investment at the time of purchase.
 - b. Bankers acceptances of banks that are insured by the federal deposit insurance corporation and that mature not later than 180 days after purchase.
10. Up to fifteen percent of the County's average portfolio in notes issued by U.S. corporations or by depository institutions doing business under authority granted by the U.S. or any state provided the notes are rated in the three highest categories by at least two nationally recognized standard rating services at the time of purchase and the notes mature not later than three years after purchase;
11. A current unpaid or delinquent tax line of credit, provided certain conditions are met related to a County land reutilization corporation organized under ORC Chapter 1724; and,
12. Up to two percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government, subject to certain limitations. All interest and principal shall be denominated and payable in United States funds.

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited.

Noble County, Ohio
Notes to the Basic Financial Statements
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Except as noted above, an investment must mature within five years from the date of settlement, unless matched to a specific obligation or debt of the County, 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.

Protection of the County'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.

Cash on Hand At year-end, the County had \$500 in undeposited cash on hand which is included on the Balance Sheet of the County as part of "Equity in Pooled Cash and Cash Equivalents".

Note 6 - Property Taxes

Property taxes include amounts levied against all real and public utility property located in the County. Property tax revenue received during 2023 for real and public utility property taxes represents collections of 2022 taxes.

2023 real property taxes were levied after October 1, 2023, on the assessed value as of January 1, 2023, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2023 real property taxes are collected in and intended to finance 2024.

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 later payment dates to be established.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2023 public utility property taxes which became a lien December 31, 2022, were levied after October 1, 2023, and are collected in 2024 with real property taxes.

The full tax rate for all County operations for the year ended December 31, 2023, was \$9.95 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2022 property tax receipts were based are as follows:

Real Property	\$370,903,030
Public Utility Personal Property	513,323,680
Total Assessed Value	\$884,226,710

The County Treasurer collects property taxes on behalf of all taxing districts in the County. The County Auditor periodically remits to the taxing districts their portion of the taxes collected. The collection and distribution of taxes for all subdivisions within the County, excluding the County itself, is accounted for through custodial funds. The amount of the County's tax collections is accounted for within the applicable funds. Property taxes receivable represents real and public utility taxes and outstanding delinquencies which are measurable as of December 31, 2023, and for which there is an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2023 operations is offset to deferred inflows of resources - property taxes.

Noble County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

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

Note 7 - Permissive Sales and Use Tax

In 1967, in accordance with Section 5739.02 of the Revised Code, counties were authorized to levy an excise tax of 0.5 percent to 1-1.5 percent. The tax must be levied pursuant to a resolution of the County Commissioners and a copy of the resolution of the County Commissioners sent to the Tax Commissioner not later than 60 days prior to the effective date of the tax.

Vendor collections of the tax are paid to the State Treasurer by the twenty-third day of the month following collection. The State Tax Commissioner certifies to the Office of Budget Management the amount of the tax to be returned to the County. The Tax Commissioner's certification must be made within forty-five days after the end of the month. The Tax Commissioner shall then, on or before the twentieth day of the month in which certification is made, provide for payment to the County.

Effective November 1970, the County Commissioners adopted by resolution a 0.5 percent permissive sales tax as allowed by Section 5739.02 and 5741.02, Revised Code. In February 1985, an additional 0.5 percent was adopted and in 1994 an additional 0.5 percent was adopted. Proceeds of the tax are credited to the General Fund.

Note 8 - Receivables

Receivables at December 31, 2023, consisted of property and other local taxes, permissive motor vehicle registration, interfund, sales taxes, accounts (billings for user charged services, including unbilled utility services), loans, and intergovernmental receivables arising from grants, entitlements and shared revenues. A summary of the principal items of intergovernmental receivables follows:

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<u>Governmental Activities</u>	<u>Amount</u>
Property Tax Allocations	\$112,250
Casino Tax	49,858
Local Government Subsidies	255,000
Board of Developmental Disabilities Grants and Subsidies	69,868
Gasoline Excise Tax and Motor Vehicle License Distributions	2,384,449
Community Development Block Grants	382,102
Sheriff Subsidy	19,247
Emergency Management	10,782
Adult Probation Grant	127,623
MVGT Grant	171,481
Subsidy Grants	16,049
Targeted Community Alternatives Grant	142,943
State Victims Assistance	20,119
Cost Allocation	18,023
Public Assistance Grants and Subsidies	159,747
Child Support Enforcement Grants and Subsidies	89,666
Bureau of Workers Compensation Reimbursements	1,621
School Resource Officer Reimbursements	101,548
Brownfield Remediation Grant	32,695
Building Demolition Grant	192,300
Miscellaneous Intergovernmental Receivables	47,091
Total Intergovernmental Receivables	<u><u>\$4,404,462</u></u>

Delinquent accounts receivable may be certified and collected as a special assessment, subject to foreclosure for non-payment. Management believes all other receivables are fully collectible within one year except for property taxes. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. Delinquent property taxes deemed collectible by the County Auditor are recorded as a receivable, in the amount of \$132,206, may not be collected within one year. Loans Receivable, although ultimately collectible, will not be collected within one year. The County is reflecting a \$1,782 loan receivable in the USDA Rural Business Enterprise Special Revenue Fund. This is the result of the issuance of revolving loans administered by the County.

Note 9 - Capital Assets

Capital asset activity for the year ended December 31, 2023, was as follows:

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	Balance 12/31/2022	Additions	Reductions	Balance 12/31/2023
Governmental Activities				
Non-Depreciable Capital Assets:				
Land	\$865,586	\$0	\$0	\$865,586
Gravel Roads/Bases	14,802,484	837,909	0	15,640,393
Total Non-Depreciable Capital Assets	<u>15,668,070</u>	<u>837,909</u>	<u>0</u>	<u>16,505,979</u>
Depreciable Capital Assets:				
Buildings and Improvements	10,651,035	0	0	10,651,035
Machinery, Equipment, Furniture and Fixtures	4,161,479	916,899	0	5,078,378
Vehicles	3,065,527	174,322	(12,232)	3,227,617
Infrastructure	19,645,724	359,104	0	20,004,828
Total Depreciable Capital Assets	<u>37,523,765</u>	<u>1,450,325</u>	<u>(12,232)</u>	<u>38,961,858</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(4,694,934)	(313,487)	0	(5,008,421)
Machinery, Equipment, Furniture and Fixtures	(2,051,741)	(488,634)	0	(2,540,375)
Vehicles	(1,755,554)	(256,538)	12,232	(1,999,860)
Infrastructure	(10,269,804)	(1,009,000)	0	(11,278,804)
Total Accumulated Depreciation	<u>(18,772,033)</u>	<u>(2,067,659) *</u>	<u>12,232</u>	<u>(20,827,460)</u>
Total Depreciable Capital Assets, Net	<u>18,751,732</u>	<u>(617,334)</u>	<u>0</u>	<u>18,134,398</u>
Governmental Capital Assets, Net	<u>\$34,419,802</u>	<u>\$220,575</u>	<u>\$0</u>	<u>\$34,640,377</u>

* Depreciation expense was charged to programs of governmental activities as follows:

Governmental Activities

General Government:

Legislative and Executive	\$150,726
Judicial	149,600
Public Safety	202,921
Public Works	1,442,172
Health	18,842
Human Services	80,926
Conservation and Recreation	22,472
Total Depreciation Expense	<u>\$2,067,659</u>

Noble County, Ohio
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	Balance 12/31/2022	Additions	Reductions	Balance 12/31/2023
Business-Type Activities				
Non-Depreciable Capital Assets:				
Land	\$17,500	\$0	\$0	\$17,500
Depreciable Capital Assets:				
Infrastructure	9,929,011	0	0	9,929,011
Total Depreciable Capital Assets	9,929,011	0	0	9,929,011
Less Accumulated Depreciation:				
Infrastructure	(2,083,541)	(234,308)	0	(2,317,849)
Total Accumulated Depreciation	(2,083,541)	(234,308)	0	(2,317,849)
Total Depreciable Capital Assets, Net	7,845,470	(234,308)	0	7,611,162
Business-Type Capital Assets, Net	\$7,862,970	(\$234,308)	\$0	\$7,628,662

Note 10 - Risk Management

The County is exposed to various risks of loss related to torts; theft, damage to or destruction of assets; errors and omissions; employee injuries, and natural disasters. During 2023, the County contracted with the Buckeye Joint-County Insurance Council (a public entity risk pool - See Note 19) for liability, auto, and crime insurance. This organization is a cost-sharing pool. Coverage provided by the program is as follows:

Basic Contribution	Coverage Limits/Aggregate	Deductible
Blanket Buildings and Personal Property	\$30,837,304	\$1,000/\$10,000
Legal Liability	1,000,000	0
Peril Coverage	5,000,000	25,000
Animal Injury/Mortality	40,000	0
Athletic Fields	200,000	0
Cemetery Structures	25,000	0
Commandeered Property	100,000	0
Outdoor Property	\$100,000	0
Pollution Clean Up/Removal	100,000	0
Property Off Premises	10,000	0
Accounts Receivable	250,000	0
Builders Risk	500,000	0
Grounds Maintenance Equipment	50,000	0
Newly Acquired/Constructed (Real) Property	2,000,000	0
Newly Acquired/Constructed (Personal) Property	1,000,000	0
Paved Surfaces	100,000	0
Underground Pipes, Flues, Drains	1,000,000	0
Property In Transit	100,000	5,000

(Continued)

Noble County, Ohio
Notes to the Basic Financial Statements
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Equipment Breakdown	\$30,837,304	\$1,000/\$10,000
Inland Marine Coverage	2,853,149	1,000
Computer Equipment Coverage	500,000	1,000
Crime Coverage	25,000-250,000	0
Bodily Injury/Property Damage	2,000,000	0
Personal/Advertising Injury	2,000,000	0
General Aggregate	4,000,000	0
Completed Operations Aggregate	4,000,000	0
Medical Expenses	10,000/50,000	0
Employee Benefits Liability	2,000,000/4,000,000	0
Employers Liability	2,000,000	0
Public Officials Errors, Omissions, Injury	2,000,000/4,000,000	5,000
Employment Practices Injury	2,000,000/4,000,000	5,000
Law Enforcement Liability	2,000,000/4,000,000	5,000
Automobile Liability	2,000,000	0
Data Breach/Cyber Coverage	1,000,000	25,000

Settled claims have not exceeded coverage in any of the last three years. There has not been a significant reduction in coverage from the prior year.

The County maintains a limited risk health insurance program for employees through Sirius American Insurance Company. Premiums are paid to a third-party administrator, Key Benefit Administrators, Inc. The claims are processed and monitored by a County insurance administrator in conjunction with the third-party administrator. An internal service fund is presented in the financial statements and reflects premiums paid into the Self-Insurance Health Internal Service Fund by other funds which are available to pay claims and administrative costs, and establish claim reserves. An excess coverage insurance policy covers annual individual claims in excess of \$75,000 and aggregate annual claims in excess of \$916,284.

The claims liability of the Self-Insurance Health Internal Service Fund of \$105,437 is based on the requirements 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 incremental claim adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Amounts reported were provided by the County's third-party administrators.

A summary of the fund's claims liability during the past two years is as follows:

	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2022	\$0	\$1,020,819	\$942,181	\$78,638
2023	78,638	1,187,470	1,160,671	105,437

For 2023, the County participated in the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool (See Note 19). The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate.

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In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, the Plan's executive committee annually calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Plan is limited to counties that can meet the Plan's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control, and actuarial services to the Plan. Each year, the County pays an enrollment fee to the Plan to cover the costs of administering the program. The County may withdraw from the Plan if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the Plan prior to withdrawal, and any participant leaving the Plan allows the representative of the Plan to access loss experience for three years following the last year of participation.

The County pays all elected official bonds by State Statute.

Note 11 - Defined Benefit Pension Plans

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

Net Pension Liability (Asset)/Net OPEB Liability

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

The net pension/OPEB liability (asset) represent the County'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) calculations are 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 County's obligation for this liability to annually required payments. The County cannot control benefit terms or the manner in which pensions are financed; however, the County does receive the benefit of employees' services in exchange for compensation including pension and OPEB.

GASB 68/75 assumes the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires funding to come from these employers. All pension contributions to date have come solely from these employers (which also includes pension costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the retirement systems to amortize unfunded pension liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset).

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Notes to the Basic Financial Statements
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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 pension/OPEB asset* or a 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*. The remainder of this note includes the required pension disclosures. See Note 12 for the required OPEB disclosures.

Ohio Public Employees Retirement System (OPERS)

Plan Description – County employees, other than certified teachers, participate in the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple employer public employee retirement system which administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan and the combined plan is a combination cost-sharing, multiple-employer defined benefit/defined contribution pension plan. Effective January 1, 2022, new members may no longer select the Combined Plan, and current members may no longer make a plan change to this plan. Participating employers are divided into state, local, law enforcement and public safety divisions. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the traditional and combined plans. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that includes financial statements, required supplementary information and detailed information about OPERS' fiduciary net position that may be obtained by visiting <https://www.opers.org/financial/reports.shtml>, by writing to the Ohio Public Employees Retirement System, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 800-222-7377.

Senate Bill (SB) 343 was enacted into law with an effective date of January 7, 2013. In the legislation, members in the traditional and combined plans were categorized into three groups with varying provisions of the law applicable to each group. The following table provides age and service requirements for retirement and the retirement formula applied to final average salary (FAS) for the three member groups under the traditional and combined plans as per the reduced benefits adopted by SB 343 (see OPERS Annual Comprehensive Financial Report referenced above for additional information, including requirements for reduced and unreduced benefits):

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Group A Eligible to retire prior to January 7, 2013 or five years after January 7, 2013	Group B 20 years of service credit prior to January 7, 2013 or eligible to retire ten years after January 7, 2013	Group C Members not in other Groups and members hired on or after January 7, 2013
State and Local	State and Local	State and Local
Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 60 with 60 months of service credit or Age 55 with 25 years of service credit	Age and Service Requirements: Age 57 with 25 years of service credit or Age 62 with 5 years of service credit
Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 30 years and 2.5% for service years in excess of 30	Traditional Plan Formula: 2.2% of FAS multiplied by years of service for the first 35 years and 2.5% for service years in excess of 35
Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 30 years and 1.25% for service years in excess of 30	Combined Plan Formula: 1% of FAS multiplied by years of service for the first 35 years and 1.25% for service years in excess of 35
Law Enforcement	Law Enforcement	Law Enforcement
Age and Service Requirements: Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 52 with 15 years of service credit	Age and Service Requirements: Age 48 with 25 years of service credit or Age 56 with 15 years of service credit
Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25	Traditional Plan Formula: 2.5% of FAS multiplied by years of service for the first 25 years and 2.1% for service years in excess of 25

Final average Salary (FAS) represents the average of the three highest years of earnings over a member's career for Groups A and B. Group C is based on the average of the five highest years of earnings over a member's career.

Members who retire before meeting the age and years of service credit requirement for unreduced benefits receive a percentage reduction in the benefit amount. The amount of a member's pension benefit vests upon receipt of the initial benefit payment. The options for Public Safety and Law Enforcement permit early retirement under qualifying circumstances as early as age 48 with a reduced benefit.

When a traditional plan benefit recipient has received benefits for 12 months, the member is eligible for an annual cost of living adjustment (COLA). This COLA is calculated on the base retirement benefit at the date of retirement and is not compounded. Members retiring under the combined plan receive a cost-of-living adjustment on the defined benefit portion of their pension benefit. For those who retired prior to January 7, 2013, the cost-of-living adjustment is 3 percent. For those retiring on or after January 7, 2013, beginning in calendar year 2019, the adjustment is based on the average percentage increase in the Consumer Price Index, capped at 3 percent.

Defined contribution plan benefits are established in the plan documents, which may be amended by the Board. Member-directed plan and combined plan members who have met the retirement eligibility requirements may apply for retirement benefits. The amount available for defined contribution benefits in the combined plan consists of the member's contributions plus or minus the investment gains or losses resulting from the member's investment selections. Combined plan members wishing to receive benefits must meet the requirements for both the defined benefit and defined contribution plans.

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Member-directed participants must have attained the age of 55, have money on deposit in the defined contribution plan and have terminated public service to apply for retirement benefits. The amount available for defined contribution benefits in the member-directed plan consists of the members' contributions, vested employer contributions and investment gains or losses resulting from the members' investment selections. Employer contributions and associated investment earnings vest over a five-year period, at a rate of 20 percent each year. At retirement, members may select one of several distribution options for payment of the vested balance in their individual OPERS accounts. Options include the annuitization of the benefit (which includes joint and survivor options and will continue to be administered by OPERS), partial lump-sum payments (subject to limitations), a rollover of the vested account balance to another financial institution, receipt of entire account balance, net of taxes withheld, or a combination of these options. When members choose to annuitize their defined contribution benefit, the annuitized portion of the benefit is reclassified to a defined benefit.

Funding Policy - The Ohio Revised Code (ORC) provides statutory authority for member and employer contributions as follows:

	State and Local			
	Traditional	Combined	Public Safety	Law Enforcement
2023 Statutory Maximum Contribution Rates				
Employer	14.0 %	14.0 %	18.1 %	18.1 %
Employee *	10.0 %	10.0 %	**	***
 2023 Actual Contribution Rates				
Employer:				
Pension ****	14.0 %	12.0 %	18.1 %	18.1 %
Post-employment Health Care Benefits ****	0.0	2.0	0.0	0.0
Total Employer	14.0 %	14.0 %	18.1 %	18.1 %
Employee	10.0 %	10.0 %	12.0 %	13.0 %

* Member contributions within the combined plan are not used to fund the defined benefit retirement allowance.

** This rate is determined by OPERS' Board and has no maximum rate established by ORC.

*** This rate is also determined by OPERS' Board, but is limited by ORC to not more than 2 percent greater than the Public Safety rate.

**** These pension and employer health care rates are for the traditional and combined plans. The employer contributions rate for the member-directed plan is allocated 4 percent for health care with the remainder going to pension; however, effective July 1, 2022, a portion of the health care rate is funded with reserves.

Employer contribution rates are actuarially determined within the constraints of statutory limits for each division and expressed as a percentage of covered payroll.

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Notes to the Basic Financial Statements
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For 2023, the County's contractually required contribution was \$1,149,158 for the traditional plan, \$23,107 for the combined plan and \$6,654 for the member-directed plan. Of these amounts, \$157,470 is reported as an intergovernmental payable for the traditional plan, \$3,127 for the combined plan, and \$794 for the member-directed plan.

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

The net pension liability (asset) for OPERS was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date. The County's proportion of the net pension liability (asset) was based on the County'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 of the County's defined benefit pension plans:

	OPERS <u>Traditional Plan</u>	OPERS <u>Combined Plan</u>	<u>Total</u>
Proportion of the Net Pension Liability/Asset:			
Current Measurement Date	0.04613500%	0.03980200%	
Prior Measurement Date	<u>0.04617400%</u>	<u>0.03287600%</u>	
Change in Proportionate Share	<u>-0.00003900%</u>	<u>0.00692600%</u>	
Proportionate Share of the:			
Net Pension Liability	\$13,628,299	\$0	\$13,628,299
Net Pension Asset	0	(93,810)	(93,810)
Pension Expense	2,625,840	6,696	2,632,536

2023 pension expense for the member-directed defined contribution plan was \$6,654. The aggregate pension expense for all pension plans was a negative \$2,639,190 for 2023.

Noble County, Ohio
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At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to defined benefit pensions from the following sources:

	OPERS Traditional Plan	OPERS Combined Plan	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$452,675	\$5,767	\$458,442
Changes of assumptions	143,973	6,211	150,184
Net difference between projected and actual earnings on pension plan investments	3,884,493	34,188	3,918,681
Changes in proportion and differences between County contributions and proportionate share of contributions	304,107	2,573	306,680
County contributions subsequent to the measurement date	<u>1,149,158</u>	<u>23,107</u>	<u>1,172,265</u>
Total Deferred Outflows of Resources	<u>\$5,934,406</u>	<u>\$71,846</u>	<u>\$6,006,252</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$13,404	\$13,404
Changes in proportion and differences between County contributions and proportionate share of contributions	<u>4,118</u>	<u>49,781</u>	<u>53,899</u>
Total Deferred Inflows of Resources	<u>\$4,118</u>	<u>\$63,185</u>	<u>\$67,303</u>

\$1,172,265 reported as deferred outflows of resources related to pension resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability or an increase to the net pension asset in 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	OPERS Traditional Plan	OPERS Combined Plan	Total
Year Ending December 31:			
2024	\$828,715	(\$5,733)	\$822,982
2025	906,124	(830)	905,294
2026	1,143,396	1,607	1,145,003
2027	1,902,895	7,274	1,910,169
2028	0	(7,065)	(7,065)
Thereafter	<u>0</u>	<u>(9,699)</u>	<u>(9,699)</u>
Total	<u>\$4,781,130</u>	<u>(\$14,446)</u>	<u>\$4,766,684</u>

Noble County, Ohio
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Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification 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. The total pension liability was determined by an actuarial valuation as of December 31, 2022, using the following key actuarial assumptions and methods applied to all periods included in the measurement in accordance with the requirements of GASB 67:

	<u>OPERS Traditional Plan</u>	<u>OPERS Combined Plan</u>
Wage Inflation	2.75 percent	2.75 percent
Future Salary Increases, including inflation	2.75 to 10.75 percent including wage inflation	2.75 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:		
Pre-January 7, 2013 Retirees	3.0 percent, simple	3.0 percent, simple
Post-January 7, 2013 Retirees	3.0 percent, simple through 2023, then 2.05 percent, simple	3.0 percent, simple through 2023, then 2.05 percent, simple
Investment Rate of Return	6.9 percent	6.9 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five year period ended December 31, 2020.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio, and the Defined Contribution portfolio. The Defined Benefit portfolio contains the investment assets for the Traditional Pension Plan, the defined benefit component of the Combined Plan and the annuitized accounts of the Member-Directed Plan. Within the Defined Benefit portfolio contributions into the plans are all recorded at the same time, and benefit payments all occur on the first of the month. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Defined Benefit portfolio was 12.1 percent for 2022.

The allocation of investment assets with the Defined Benefit portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Plan assets are managed on a total return basis with a long-term objective of achieving and maintaining a fully funded status for the benefits provided through the defined benefit pension plans.

Noble County, Ohio
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The long-term expected rate of return on defined benefit investment assets was determined using a building-block method in which best-estimate ranges of expected future real rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected real rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant. For each major class that is included in the Defined Benefit portfolio's target asset allocation as of December 31, 2022, these best estimates are summarized below:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Geometric)</u>
Fixed Income	22.00%	2.62%
Domestic Equities	22.00	4.60
Real Estate	13.00	3.27
Private Equity	15.00	7.53
International Equities	21.00	5.51
Risk Parity	2.00	4.37
Other investments	5.00	3.27
Total	<u>100.00%</u>	

Discount Rate The discount rate used to measure the total pension liability for the current year was 6.9 percent for the traditional plan and the combined plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and those of the contributing employers are made at the contractually required rates, as actuarially determined. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefits payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments for the traditional pension plan, combined plan and member-directed plan was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the County's Proportionate Share of the Net Pension Liability (Asset) to Changes in the Discount Rate The following table presents the County's proportionate share of the net pension liability (asset) calculated using the current period discount rate assumption of 6.9 percent, as well as what the County's proportionate share of the net pension liability (asset) would be if it were calculated using a discount rate that is one-percentage-point lower (5.9 percent) or one-percentage-point higher (7.9 percent) than the current rate:

	<u>1% Decrease (5.90%)</u>	<u>Discount Rate (6.90%)</u>	<u>1% Increase (7.90%)</u>
County's proportionate share of the net pension liability (asset)			
OPERS Traditional Plan	\$20,414,738	\$13,628,299	\$7,983,200
OPERS Combined Plan	(48,956)	(93,810)	(129,357)

Noble County, Ohio
Notes to the Basic Financial Statements
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Note 12 - Defined Benefit OPEB Plan

See Note 11 for a description of the net OPEB liability.

Plan Description – Ohio Public Employees Retirement System (OPERS)

Plan Description – The Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: the traditional pension plan, a cost-sharing, multiple-employer defined benefit pension plan; the member-directed plan, a defined contribution plan; and the combined plan, a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing, multiple-employer defined benefit post-employment health care trust. The 115 Health Care Trust (115 Trust or Health Care Trust) was established in 2014, under Section 115 of the Internal Revenue Code (IRC). The purpose of the 115 Trust is to fund health care for the Traditional Pension, Combined and Member-Directed plans. Medicare-enrolled retirees in the Traditional Pension and Combined plans may have an allowance deposited into a health reimbursement arrangement (HRA) account to be used toward the health care program of their choice selected with the assistance of an OPERS vendor. Non-Medicare retirees have converted to an arrangement similar to the Medicare-enrolled retirees, and are no longer participating in OPERS provided self-insured group plans.

With one exception, OPERS-provided health care coverage is neither guaranteed nor statutorily required. Ohio law currently requires Medicare Part A equivalent coverage or Medicare Part A premium reimbursement for eligible retirees and their eligible dependents.

OPERS offers a health reimbursement arrangement (HRA) allowance to traditional pension plan and combined plan benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents.

OPERS members enrolled in the Traditional Pension Plan or Combined Plan retiring with an effective date of January 1, 2022, or after must meet the following health care eligibility requirements to receive an HRA allowance:

Medicare Retirees Medicare-eligible with a minimum of 20 years of qualifying service credit

Non-Medicare Retirees Non-Medicare retirees qualify based on the following age-and-service criteria:

Group A 30 years of qualifying service credit at any age;

Group B 32 years of qualifying service credit at any age or 31 years of qualifying service credit and minimum age 52;

Group C 32 years of qualifying service credit and minimum age 55; or,

A retiree from groups A, B or C who qualifies for an unreduced pension, but a portion of their service credit is not health care qualifying service, can still qualify for health care at age 60 if they have at least 20 years of qualifying health care service credit.

Retirees who don't meet the requirement for coverage as a non-Medicare participant can become eligible for coverage at age 65 if they have at least 20 years of qualifying service.

Noble County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Members with a retirement date prior to January 1, 2022, who were eligible to participate in the OPERS health care program will continue to be eligible after January 1, 2022.

Eligible retirees may receive a monthly HRA allowance for reimbursement of health care coverage premiums and other qualified medical expenses. Monthly allowances, based on years of service and the age at which the retiree first enrolled in OPERS coverage, are provided to eligible retirees, and are deposited into their HRA account.

Retirees will have access to the OPERS Connector, which is a relationship with a vendor selected by OPERS to assist retirees participating in the health care program. The OPERS Connector may assist retirees in selecting and enrolling in the appropriate health care plan.

When members become Medicare-eligible, recipients enrolled in OPERS health care programs must enroll in Medicare Part A (hospitalization) and Medicare Part B (medical).

OPERS reimburses retirees who are not eligible for premium-free Medicare Part A (hospitalization) for their Part A premiums as well as any applicable surcharges (late-enrollment fees). Retirees within this group must enroll in Medicare Part A and select medical coverage, and may select prescription coverage, through the OPERS Connector. OPERS also will reimburse 50 percent of the Medicare Part A premium and any applicable surcharges for eligible spouses. Proof of enrollment in Medicare Part A and confirmation that the retiree is not receiving reimbursement or payment from another source must be submitted. The premium reimbursement is added to the monthly pension benefit.

The health care trust is also used to fund health care for member-directed plan participants, in the form of a Retiree Medical Account (RMA). At retirement or separation, member directed plan participants may be eligible for reimbursement of qualified medical expenses from their vested RMA balance.

The Ohio Revised Code permits but does not require OPERS to provide health care to its eligible benefit recipients. Authority to establish and amend health care coverage is provided to the Board in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in the OPERS financial report. Interested parties may obtain a copy by visiting <https://www.opers.org/financial/reports.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling (614) 222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides the statutory authority allowing public employers to fund postemployment health care through their contributions to OPERS. When funding is approved by OPERS Board of Trustees, a portion of each employer's contribution to OPERS is set aside to fund OPERS health care plans. Beginning in 2018, OPERS no longer allocated a portion of its employer contributions to health care for the traditional plan.

Employer contribution rates are expressed as a percentage of the earnable salary of active members. In 2023, state and local employers contributed at a rate of 14.0 percent of earnable salary and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code. Active member contributions do not fund health care.

Noble County, Ohio
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Each year, the OPERS Board determines the portion of the employer contribution rate that will be set aside to fund health care plans. For 2023, OPERS did not allocate any employer contribution to health care for members in the Traditional Pension Plan and beginning July 1, 2022, there was a two percent allocation to health care for the Combined Plan. The OPERS Board is also authorized to establish rules for the retiree or their surviving beneficiaries to pay a portion of the health care provided. Payment amounts vary depending on the number of covered dependents and the coverage selected. The employer contribution as a percentage of covered payroll deposited into the RMA for participants in the member-directed plan for 2022 was 4.0 percent; however, effective July 1, 2022, a portion of the health care rate was funded with reserves.

Employer contribution rates are actuarially determined and are expressed as a percentage of covered payroll. The County's contractually required contribution was \$5,879 for 2023. Of this amount, \$794 is reported as an intergovernmental payable.

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

The net OPEB liability and total OPEB liability for OPERS were determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022, by incorporating the expected value of health care cost accruals, the actual health care payment, and interest accruals during the year. The County's proportion of the net OPEB liability was based on the County's share of contributions to the retirement plan relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	OPERS
Proportion of the Net OPEB Asset:	
Current Measurement Date	0.04441900%
Prior Measurement Date	0.04432700%
Change in Proportionate Share	0.000092%
Proportionate Share of the Net OPEB Asset	\$280,070
OPEB Expense	(\$476,925)

At December 31, 2023, the County reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Noble County, Ohio
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	OPERS
Deferred Outflows of Resources	
Changes of assumptions	\$273,552
Net difference between projected and actual earnings on OPEB plan investments	556,229
Changes in proportion and differences between County contributions and proportionate share of contributions	49,586
County contributions subsequent to the measurement date	5,879
Total Deferred Outflows of Resources	\$885,246
Deferred Inflows of Resources	
Differences between expected and actual experience	\$69,861
Changes of assumptions	22,509
Total Deferred Inflows of Resources	\$92,370

\$5,879 reported as deferred outflows of resources related to OPEB resulting from County contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	OPERS
Year Ending December 31:	
2024	\$141,401
2025	203,443
2026	173,450
2027	268,703
Total	\$786,997

Actuarial Assumptions - OPERS

Actuarial valuations of an ongoing plan involve estimates of the values of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and cost trends. Actuarially determined amounts are subject to continual review or modification as actual results are compared with past expectations and new estimates are made about the future.

Projections of health care costs 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 coverage provided at the time of each valuation and the historical pattern of sharing of costs between OPERS and plan members.

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The total OPEB liability was determined by an actuarial valuation as of December 31, 2021, rolled forward to the measurement date of December 31, 2022. The actuarial valuation used the following key actuarial assumptions and methods applied to all prior periods included in the measurement in accordance with the requirements of GASB 74:

Wage Inflation	2.75 percent
Projected Salary Increases,	2.75 to 10.75 percent
	including wage inflation
Single Discount Rate	5.22 percent
Prior Year Single Discount Rate	6.00 percent
Investment Rate of Return	6.00 percent
Municipal Bond Rate	4.05 percent
Prior Year Municipal Bond Rate	1.84 percent
Health Care Cost Trend Rate	5.5 percent, initial
	3.50 percent, ultimate in 2036
Actuarial Cost Method	Individual Entry Age

Pre-retirement mortality rates are based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all of the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all of these tables.

The most recent experience study was completed for the five year period ended December 31, 2020.

During 2022, OPERS managed investments in three investment portfolios: the Defined Benefit portfolio, the Health Care portfolio and the Defined Contribution portfolio. The Health Care portfolio includes the assets for health care expenses for the Traditional Pension Plan, Combined Plan and Member-Directed Plan eligible members. Within the Health Care portfolio, if any contribution are made into the plans, the contributions are assumed to be received continuously throughout the year based on the actual payroll payable at the time contributions are made. Health care-related payments are assumed to occur mid-year. Accordingly, the money-weighted rate of return is considered to be the same for all plans within the portfolio. The annual money-weighted rate of return expressing investment performance, net of investment expenses and adjusted for the changing amounts actually invested, for the Health Care portfolio was 15.6 percent for 2022.

The allocation of investment assets within the Health Care portfolio is approved by the Board of Trustees as outlined in the annual investment plan. Assets are managed on a total return basis with a long-term objective of continuing to offer a sustainable health care program for current and future retirees. OPERS' primary goal is to achieve and maintain a fully funded status for the benefits provided through the defined pension plans. Health care is a discretionary benefit. The long-term expected rate of return on health care investment assets was determined using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future rates of return by the target asset allocation percentage, adjusted for inflation. Best estimates of geometric rates of return were provided by the Board's investment consultant.

Noble County, Ohio
Notes to the Basic Financial Statements
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For each major asset class that is included in the Health Care’s portfolio’s target asset allocation as of December 31, 2022, these best estimates are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Weighted Average Long-Term Expected Real Rate of Return (Geometric)</u>
Fixed Income	34.00%	2.56%
Domestic Equities	26.00	4.60
Real Estate Investment Trust	7.00	4.70
International Equities	25.00	5.51
Risk Parity	2.00	4.37
Other investments	6.00	1.84
Total	<u>100.00%</u>	

Discount Rate A single discount rate of 5.22 percent was used to measure the OPEB liability on the measurement date of December 31, 2022; however, the single discount rate used at the beginning of the year was 6 percent. Projected benefit payments are required to be discounted to their actuarial present value using a single discount rate that reflects (1) a long-term expected rate of return on OPEB plan investments (to the extent that the health care fiduciary net position is projected to be sufficient to pay benefits), and (2) tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate are not met). This single discount rate was based on an expected rate of return on the health care investment portfolio of 6.00 percent and a municipal bond rate of 4.05 percent (Fidelity Index’s “20-Year Municipal GO AA Index”). The projection of cash flows used to determine this single discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rate. Based on these assumptions, the health care fiduciary net position and future contributions were sufficient to finance health care costs through 2054. As a result, the actuarial assumed long-term expected rate of return on health care investments was applied to projected costs through the year 2054, and the municipal bond rate was applied to all health care costs after that date.

Sensitivity of the County’s Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate The following table presents the County’s proportionate share of the net OPEB liability calculated using the single discount rate of 5.22 percent, as well as what the County’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that is one-percentage-point lower (4.22 percent) or one-percentage-point higher (6.22 percent) than the current rate:

	<u>1% Decrease (4.22%)</u>	<u>Current Discount Rate (5.22%)</u>	<u>1% Increase (6.22%)</u>
County’s proportionate share of the net OPEB liability (asset)	\$953,232	\$280,070	(\$275,398)

Sensitivity of the County’s Proportionate Share of the Net OPEB Liability to Changes in the Health Care Cost Trend Changes in the health care cost trend rate may also have a significant impact on the net OPEB liability or asset. The following table presents the net OPEB liability or asset calculated using the assumed trend rates, and the expected net OPEB liability or asset if it were calculated using a health care cost trend rate that is 1.0 percent lower or 1.0 percent higher than the current rate.

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Retiree health care valuations use a health care cost-trend assumption that changes over several years built into the assumption. The near-term rates reflect increases in the current cost of health care; the trend starting in 2023 is 5.50 percent. If this trend continues for future years, the projection indicates that years from now virtually all expenditures will be for health care. A more reasonable alternative is the health plan cost trend will decrease to a level at, or near, wage inflation. On this basis, the actuaries project premium rate increases will continue to exceed wage inflation for approximately the next decade, but by less each year, until leveling off at an ultimate rate, assumed to be 3.50 percent in the most recent valuation.

	1% Decrease	Current Health Care Cost Trend Rate Assumption	1% Increase
County's proportionate share of the net OPEB liability	\$262,516	\$280,070	\$299,828

Note 13 - Other Employee Benefits

Compensated Absences

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Employees earn two to six weeks of vacation per year, depending on length of service. Vacation accumulation is limited to three years. All accumulated, unused vacation time is paid to eligible employees upon termination of employment.

Employees earn sick leave at the rate up to 4.6 hours per pay. Sick leave is accumulated without limit. Upon retirement or death, an employee can be paid from twenty-five to fifty percent of accumulated, unused sick leave up to 480 hours accumulation.

Insurance

The County offers health and prescription insurance coverage through the County's health insurance internal service fund for all eligible employees. The County pays approximately eighty percent of the monthly premiums and employees pays approximately twenty percent.

The County provides life insurance to most employees through MetLife. The County pays the entire monthly premium for this benefit.

The County provides dental and vision insurance to employees through MetLife. The County pays the entire monthly premium for these benefits.

Health Insurance Option

Some employees of the Development Disabilities Special Revenue Fund may wish to waive their insurance coverage after having this benefit provided elsewhere. In that event, a cash payment in lieu of a health benefit shall be made to the employee. The cash payment will be made quarterly in the amount of \$450 for an annual stipend of \$1,800.

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Note 14 - Significant Commitments

Encumbrances are commitments 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 year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Governmental Funds	
General	\$58,467
Public Assistance	28,222
Other Non Major Governmental	271,933
Total Governmental Funds	\$358,622

Note 15 - Long -Term Obligations

Changes in the County's long-term obligations during the year consisted of the following:

	Outstanding 12/31/2022	Additions	Deletions	Outstanding 12/31/2023	Amounts Due Within One Year
Governmental Activities:					
Direct Placement Bonds:					
General Obligation Bonds:					
2020 County Services Facilities Refunding - 2%	\$1,131,632	\$0	\$84,374	\$1,047,258	\$86,062
Direct Borrowings:					
OPWC CR 37 and CR128 Improvements - 0%	0	153,512	0	153,512	7,676
Net Pension Liability - OPERS	4,017,323	9,610,976	0	13,628,299	0
Net OPEB Liability - OPERS	0	280,070	0	280,070	0
Compensated Absences	875,780	76,296	0	952,076	308,748
Total Governmental Activities	6,024,735	10,120,854	84,374	16,061,215	402,486
Business-Type Activities:					
Direct Borrowings:					
Sewer Project Phase II OWDA Loan - 2009 - 0%	103,839	0	12,217	91,622	12,217
Belle Valley Project OWDA Loan - 2013 - 0%	439,958	0	33,843	406,115	33,843
Total OWDA Loans	543,797	0	46,060	497,737	46,060
Compensated Absences	20,624	6,679	0	27,303	78
Asset Retirement Obligation	110,000	0	0	110,000	0
Total Business-Type Activities	674,421	6,679	46,060	635,040	46,138
Total Long-Term Obligations	\$6,699,156	\$10,127,533	\$130,434	\$16,696,255	\$448,624

Governmental Activities

General Obligation Bonds

During 2020, the County issued \$1,295,450 in County Services Facilities Refunding Bonds. These bonds are private placement general obligation bonds with an interest rate of 2.00 percent. These bonds were issued at par amount with no premium or discount applied. These bonds were used to refund the 2014 County Services Facilities bonds.

Noble County, Ohio
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As a result of the refunding, \$1,368,209 of the 2014 refunded bonds, is considered retired and the liability is removed from the Statement of Net Position. The 2020 refunding bonds were issued for a fifteen year period with final maturity in 2034. These bonds are backed by the full faith and credit of the County and are being retired from the Bond Retirement Debt Service Fund using General Fund property tax revenues.

Annual debt service requirements to retire general obligation bonds outstanding at December 31, 2023, are as follows:

Year Ending December 31,	Principal	Interest	Total
2024	\$86,062	\$20,945	\$107,007
2025	87,783	19,224	107,007
2026	89,538	17,468	107,006
2027	91,329	15,677	107,006
2028	93,156	13,851	107,007
2029-2033	494,481	40,551	535,032
2034	104,909	2,099	107,008
Total	<u>\$1,047,258</u>	<u>\$129,815</u>	<u>\$1,177,073</u>

The County's outstanding bond from direct placement related to governmental activities contain a provision that in an event of default, outstanding amounts become immediately due if the County is unable to make payment.

Ohio Public Works Commission (OPWC) Loans

The County has entered into an OPWC Loan for the County Road 37 and 128 improvements project. The loan will be repaid from Motor Vehicle and Gasoline Tax special revenue fund. This loan is interest free. The OPWC loans debt service requirements to maturity are as follows:

Year Ending December 31	OPWC Loan Principal
2024	\$7,676
2025	15,352
2026	15,352
2027	15,352
2028	15,352
2029-2033	76,760
2034	7,668
Totals	<u>\$153,512</u>

The County's outstanding Ohio Public Works Commission Loans from direct borrowings of \$153,512 contain a provision that whenever an event of default shall have happened and be subsisting, the entire principal amount of the Loan then remaining unpaid, at the option of OPWC, become immediately due and payable.

Noble County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Net Pension/OPEB Liability

There is no repayment schedule for the net pension liability. However, employer pension contributions are made from the following funds: The General Fund and the Job and Family Services, Motor Vehicle and Gasoline Tax, Developmental Disabilities, Child Support Enforcement Agency, Litter, Dog and Kennel, Delinquent Real Estate and Tax Collection, 911, Emergency Management Agency, Community Development Block Grant, State Victims Advocate, Adult Probation, Miscellaneous Court Grants, Real Estate Assessment, and Law Library Resources Special Revenue Funds. For additional information related to the net pension liability see Note 11.

Compensated Absences

Compensated absences will be paid from the funds from which the employees' salaries are paid, which consist of the General Fund and the Job and Family Services, Motor Vehicle and Gasoline Tax, Real Estate Assessment, Child Support Enforcement Agency, Developmental Disabilities, 911, Miscellaneous Court Grants, and Emergency Management Agency Special Revenue Funds.

Business-Type Activities

The County has pledged future sewer customer revenues, net of specified operating expenses, to repay \$497,737 in sewer system OWDA loans issued between 2009 and 2020. Proceeds from these loans provided financing for various sewer projects. The loans are payable solely from sewer customer net revenues and are payable through 2035. Annual principal and interest payments on the loans as compared to net future revenues are not estimable but are expected to be less than net revenues in each year the loans are outstanding. Principal paid for the current year is \$46,060. Total customer net revenues were (\$9,199).

The County's outstanding OWDA loans from direct borrowings in the amount of \$497,737 related to business-type activities contain provisions that in an event of default (1) the amount of such default shall bear interest at the default rate from the due date until the date of payment, (2) if any of the charges have not been paid within 30 days, in addition to the interest calculated at the default rate, a late charge of 1 percent on the amount of each default shall also be paid to the OWDA, and (3) for each additional 30 days during which the charges remain unpaid, the County shall continue to pay an additional late charge of 1 percent on the amount of the default until such charges are paid.

Annual debt service requirements to maturity for the OWDA loans are as follows:

Year Ending December 31,	Principal
2024	\$46,060
2025	46,060
2026	46,060
2027	46,060
2028	46,060
2029-2031	199,752
2032-2035	67,685
Total	<u><u>\$497,737</u></u>

Noble County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

The County will pay the asset retirement obligation (ARO) from the Sewer Enterprise Fund. For additional information related to the ARO see Note 16.

The County's overall legal debt margin at December 31, 2023 was \$19,558,410, with an unvoted amount of \$7,795,009.

Note 16 – Asset Retirement Obligation

The Governmental Accounting Standard Board's (GASB) Statement No. 83, Certain Asset Retirement Obligations, provides guidance related to asset retirement obligations (AROs). An ARO is a legally enforceable liability associated with the retirement of a tangible capital asset.

Ohio Revised Code Section 6111.44 requires the County to submit any changes to their sewerage system to the Ohio EPA for approval. Through this review process, the County would be responsible to address any public safety issues associated with their waste water treatment facilities. The County estimates these public safety issues to include removing/filling any tankage, cleaning/removing certain equipment, and backfilling certain exposed areas. This asset retirement obligation (ARO) of \$110,000 associated with the County's waste water treatment facilities was estimated by a Professional Engineer. The remaining useful life of these facilities range from 20 to 24 years.

Note 17 - Interfund Transactions

Interfund balances at December 31, 2023 consist of the following individual fund receivables and payables:

Interfund Payable	Interfund Receivable				Totals
	Major Funds				
	General	Public Assistance	Board of Developmental Disabilities	Other Nonmajor Governmental	
Major Funds:					
Public Assistance	\$106,122	\$0	\$0	\$0	\$106,122
Ambulance Services	0	0	0	127,970	127,970
Other Nonmajor Governmental	43,866	174,443	170,000	0	388,309
Internal Service	15,000	0	0	0	15,000
Total All Funds	<u>\$164,988</u>	<u>\$174,443</u>	<u>\$170,000</u>	<u>\$127,970</u>	<u>\$637,401</u>

The above interfund receivables/payables are due to time lags between the dates interfund goods and services are provided, transactions recorded in the accounting system, and payments between funds were made. Also included in the above balances are short-term advances made from the General Fund to the Litter Control, Community Development Block Grant, State Victim Advocate, and HRA Funds in the amounts of \$5,000, \$20,802, \$7,032 and \$15,000, respectively.

Interfund transfers for the year ended December 31, 2023 consisted of the following, as reported on the fund statements:

Transfer from	Transfer to				Totals
	Public Assistance	Other Nonmajor Governmental	Sewer	Internal Service	
Major Fund:					
General Fund	<u>\$19,206</u>	<u>\$667,120</u>	<u>\$30,530</u>	<u>\$69,822</u>	<u>\$786,678</u>

Noble County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute budget requires to expend them; to move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations; and to segregate and to return money to the fund from which it was originally provided when an advance is reclassified as a transfer.

Note 18 - Fund Balances

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

Fund Balances	General	Motor Vehicle and Gasoline Tax	Public Assistance	Board of Developmental Disabilities	Ambulance Service	Other Governmental Funds	Total
Nonspendable:							
Inventory	\$50,227	\$176,563	\$2,499	\$967	\$0	\$4,914	\$235,170
Prepays	70,689	7,106	9,647	207	0	68,730	156,379
Revolving Loan	0	0	0	0	0	1,782	1,782
Unclaimed Monies	26,780	0	0	0	0	0	26,780
Total Nonspendable	147,696	183,669	12,146	1,174	0	75,426	420,111
Restricted to:							
Capital Projects	0	0	0	0	0	103,056	103,056
Public Assistance	0	0	135,538	0	0	1,178,052	1,313,590
Children Services	0	0	0	0	0	303,494	303,494
Roads and Bridges	0	3,564,111	0	0	0	0	3,564,111
Board of							
Developmental Disabilities	0	0	0	4,243,615	0	0	4,243,615
Community Development	0	0	0	0	0	329,684	329,684
Court Corrections	0	0	0	0	0	450,836	450,836
Ambulance Services	0	0	0	0	2,242,800	0	2,242,800
Public Safety	0	0	0	0	0	545,430	545,430
Other Purposes	0	0	0	0	0	2,833,982	2,833,982
Total Restricted	0	3,564,111	135,538	4,243,615	2,242,800	5,744,534	15,930,598
Committed to:							
Severance Payments	41,107	0	0	0	0	0	41,107
Assigned to:							
Purchases on Order Subsequent Year's Appropriations	17,640	0	0	0	0	0	17,640
Total Assigned	3,610,890	0	0	0	0	0	3,610,890
Unassigned	954,759	0	0	0	0	(27,864)	926,895
Total Fund Balances	\$4,754,452	\$3,747,780	\$147,684	\$4,244,789	\$2,242,800	\$5,792,096	\$20,929,601

Noble County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 19 - Public Entity Risk Pools

Buckeye Joint-County Insurance Council

The Buckeye Joint-County Insurance Council is an insurance purchasing pool that serves Noble, Hocking, Lawrence, Morgan, Pike, and Vinton Counties. The Council was formed as an Ohio nonprofit corporation for the purpose of establishing an insurance pool to obtain general liability, law enforcement, professional and fleet insurance. Member counties provide operating resources to the corporation based on actuarially determined rates. The Governing Board, consisting of a commissioner from each county, annually elects officers, which includes a President, Vice President, Second Vice President and two Governing Board members. The Governing Board exercises total control over the operations of the Council including budgeting, contracting, appropriating, and designating management. The degree of control exercised by any participating government is limited to its representation on the Governing Board. The expenditures and investment of funds by the officers must be approved by the Governing Board unless specific limits have been set by the Governing Board to permit otherwise.

Noble County does not have any ongoing financial interest or responsibility. The agreement between the County and the Council indicates that a voluntary withdrawal or termination of the Council shall constitute a forfeiture of any pro rata share of the Council reserve fund. In the event of the termination of the Council, current members shall be paid in an amount that they have contributed to the Council as of the last month of the Council's existence. Current calculation of this potential residual interest is therefore not possible. During 2023, Noble County paid \$138,949 to the Council for coverage for January 1, 2023 thru April 30, 2024.

County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

For 2023, the County participated in the County Commissioners' Association of Ohio Workers' Compensation Group Rating Plan (Plan) provided by the County Commissioners' Association of Ohio, a workers' compensation insurance purchasing pool. The intent of the Plan is to achieve lower workers' compensation rates while establishing safe working conditions and environments for the participants.

The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all counties in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, annually the Plan's executive committee calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Plan is limited to counties that can meet the Plan's selection criteria. The firm of Sedgwick Claims Management formally known as Comp Management, Inc. provides administrative, cost control, and actuarial services to the Plan. Each year, the County pays an enrollment fee to the Plan to cover the costs of administering the Plan. The County may withdraw from the Plan if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the Plan prior to withdrawal, and any participant leaving the Plan allows representatives of the Plan to access loss experience for three years following the last year of participation. The County's contribution to the pool for 2023 was \$4,467.

Noble County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

Note 20 - Jointly Governed Organizations

Southeastern Ohio Joint Solid Waste Management District

The County is a member of the Southeastern Ohio Joint Solid Waste Management District, which is a jointly governed organization involving Noble, Muskingum, Guernsey, Morgan, Monroe and Washington counties. The purpose of the District is to plan and implement comprehensive and environmentally sound solid waste management facilities and provide for the establishment of waste minimization, waste reduction, and recycling programs. The District was created in 1989, as required by the Ohio Revised Code.

The Southeastern Ohio Joint Solid Waste Management District is governed and operated through three groups. An eighteen member board of directors, comprised of three commissioners from each County, is responsible for the District's financial matters. Financial records are maintained by the County (through a custodial fund) and the District. The Board exercises total control over the operations of the District including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board. The District's sole revenue source is a waste disposal fee for in-district waste. A forty-three member policy committee, comprised of seven members from each county and one at-large member appointed by the policy committee, is responsible for preparing the solid waste management plan of the District in conjunction with a Technical Advisory Council whose members are appointed by the policy committee. No contributions were received from the County during 2023.

Mental Health and Recovery Services Board

The Mental Health and Recovery Services Board is a jointly governed organization whose participants are Muskingum, Coshocton, Guernsey, Perry, Morgan, and Noble Counties. The Board has the responsibility for development, coordinated continuation and ongoing modernization, funding, monitoring, and evaluation of community-based mental health and substance abuse programming. The Board is managed by an eighteen member board of trustees; three appointed by the Muskingum County Commissioners, seven appointed by the commissioners of the other participating counties, four by the director of the State Department of Alcohol and Drug Addiction, and four appointed by the Director of the State Department of Mental Health. The Board exercises total control over the operations including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board.

During 2023, Noble County contributed \$410,384 in tax levy revenue money through a .70 mill levy. The remaining revenues are provided by levies from other member counties, and state and federal grants awarded to the multi-county board. Muskingum County serves as fiscal agent for the Board. Continued existence of the Board is not dependent on the County's continued participation and no equity interest exists. The Board has no outstanding debt.

Guernsey-Monroe-Noble Community Action Corporation (GMN)

The Guernsey-Monroe-Noble Community Action Corporation is a non-profit corporation organized to plan, conduct and coordinate programs designed to combat social and economic problems and to help eliminate conditions of poverty within Guernsey, Monroe and Noble counties. The agency is governed by an eighteen member board which consists of two commissioners or their appointees from each county, two individuals from the private sector from each county, and two low income individuals elected by each county. The six business owners are nominated by other local business owners and the six low income individuals are nominated at a public meeting of the local Neighborhood Service Center Policy Advisory Committee. The agency received federal and state monies which are applied for and received by, and in the name of, the Board of Directors. Continued existence of the Community Action Agency is not dependent upon the County's continued participation, nor does the County have an equity interest in the agency.

Noble County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

The agency is not accumulating significant financial resources and is not experiencing fiscal distress that may cause an additional financial benefit to or burden on the County. The agency administers the operations of the Senior Citizens Center. During 2023, \$211,481 in Senior Citizens Levy money was received on behalf of the elderly residents of Noble County.

Buckeye Hills - Hocking Valley Regional Developmental District

The District serves as the Area Agency on Aging for Noble, Athens, Hocking, Meigs, Morgan, Monroe, Perry, and Washington Counties. The District was created to foster a cooperative effort in regional planning, programming, and implementing plans and programs. The District is governed by a fifteen-member Board of Directors. The Board is comprised of one County Commissioner from each county, one member from the City of Athens, one member from the City of Marietta, four at-large members appointed from the ten government members, and one member from the minority sector. The Board exercises total control over the operations of the District including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board. Noble County's annual cash contribution during 2023 was \$53,105; \$3,105 of which was given for administration purposes. The local contribution is based on the County's formal resolution of cooperation with the district.

Oakview Juvenile Residential Center

The Oakview Juvenile Residential Center is a jointly governed organization among Monroe, Belmont, Harrison, Guernsey, Jefferson, and Noble Counties. The Center was formed to operate a regional juvenile rehabilitation facility for the use of member counties, and to house and treat adjudicated non-violent felony offenders. The facility is operated and managed by Oakview Juvenile Residential Center. The participating entities created a Judicial Rehabilitation Board the members of which are made-up of the juvenile judges of each participating county. The Board exercises total control of the budgeting, appropriating, contracting, and designating management. Each County's degree of control is limited to its representation on the Board. A twelve member Advisory Board has been created whose members are appointed by the Judicial Rehabilitation Board of which all participating Counties have two appointees. The facility is located on property now owned by Belmont County. Policies, procedures, and the operating budget are approved by the Judicial Rehabilitation Board.

Ohio Valley Employment Resource (OVER)

The Ohio Valley Employment Resource is a jointly governed organization whereby the three county commissioners from Noble, Monroe, Morgan, and Washington Counties serve on the governing board. The Ohio Valley Employment Resource was formed for the purpose of creating and providing employment and training programs in response to local need, a part of which is implementation of the Workforce Investment Act, P.L. 105-220. The continued existence of the Ohio Valley Employment is not dependent on the County's continued participation and no equity interest exists. The Ohio Valley Employment Resource has no outstanding debt.

Note 21 - Related Organizations

Noble County Metropolitan Housing Authority

The Noble County Metropolitan Housing Authority is a nonprofit organization established to provide adequate public housing for low income individuals and was created pursuant to State statutes. The Authority is operated by a five member board. Two members are appointed by the largest municipality in the County, one member is appointed by the probate court judge, one member is appointed by the common pleas court judge, and one member is appointed by the County commissioners.

Noble County, Ohio
Notes to the Basic Financial Statements
For the Year Ended December 31, 2023

The Authority receives funding from the Federal Department of Housing and Urban Development. The board sets its own budget and selects its own management, and the County is not involved in the management or operation. The County is not financially accountable for the Authority.

Noble County Airport Authority

The Noble County Airport Authority was created in 1967. The Authority leases property from the State of Ohio, on which an airport is operated. The Authority is governed by a five-member Board. The original Board was appointed by the Noble County Commissioners, and the Commissioners approve members to fill vacancies upon recommendation of the current Authority Board. The Authority derives its revenues from hanger rental, state and federal grants received directly by the Authority, interest, and a minimal contribution from the County. The County is not financially accountable for the Authority; the County cannot impose its will on the Authority; and no financial benefit/burden relationship exists between the County and the Authority.

Transportation Improvement District

The Transportation Improvement District (the District) is a legally separate entity, statutorily created under Section 5540.02 of the Ohio Revised Code, served by a Board of Directors consisting of seven members, with all members appointed by a majority vote of the Noble County Commissioners. The purpose of the District is to finance, construct, maintain, repair, and operate street, highway, and other transportation projects in relation to construct, reconstruct, improve, alter, and repair roads, highways, bridges and other related infrastructure and facilities in Noble County. The District does not represent a potential financial benefit for or burden on the County, and the District determines its own budget. The County did not make any contributions to this organization in 2023.

Note 22 – Contingencies

Grants

The County received financial assistance from the federal and state agencies in the form of grants. The distribution of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is 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, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the County at December 31, 2023.

Litigation

The County is not currently party to any pending litigation.

Note 23 – COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2023, the County spent the remaining available COVID-19 funds consistent with the applicable program guidelines.

Noble County, Ohio
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net Pension Liability
Ohio Public Employees Retirement System - Traditional Plan
Last Ten Years

	2023	2022	2021	2020	2019
County's Proportion of the Net Pension Liability	0.04613500%	0.04617400%	0.03760600%	0.03988400%	0.03971700%
County's Proportionate Share of the Net Pension Liability	\$13,628,299	\$4,017,323	\$5,568,629	\$7,883,342	\$10,877,680
County's Covered Payroll	\$6,877,315	\$6,031,693	\$5,554,035	\$5,427,004	\$5,215,105
County's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	198.16%	66.60%	100.26%	145.26%	208.58%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	75.74%	92.62%	86.88%	82.17%	74.70%

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

See accompanying notes to the required supplementary information

2018	2017	2016	2015	2014
0.03893300%	0.03731800%	0.03657100%	0.03532000%	0.03731800%
\$6,107,833	\$8,474,282	\$6,334,558	\$4,259,987	\$4,163,768
\$4,999,205	\$4,688,383	\$4,433,709	\$4,218,321	\$4,119,237
122.18%	180.75%	142.87%	100.99%	101.08%
84.66%	77.25%	81.08%	86.45%	86.36%

Noble County, Ohio
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net Pension Liability (Asset)
Ohio Public Employees Retirement System - Combined Plan
Last Six Years (1)

	2023	2022	2021	2020	2019	2018
County's Proportion of the Net Pension Liability / Asset	0.03980200%	0.03287600%	0.01461400%	0.01442500%	0.01596900%	0.00805000%
County's Proportionate Share of the Net Pension Liability (Asset)	(\$93,810)	(\$129,533)	(\$42,185)	\$30,079	\$17,858	\$10,958
County's Covered Payroll	\$184,800	\$144,200	\$70,086	\$64,214	\$62,121	\$32,969
County's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	50.76%	89.83%	60.19%	-46.84%	-28.75%	-33.24%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	137.14%	169.88%	157.67%	145.28%	126.64%	137.28%

(1) Amounts for the combined plan are not presented prior to 2018 as the County's participation in this plan was considered immaterial in previous years.

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

See accompanying notes to the required supplementary information

Noble County, Ohio
Required Supplementary Information
Schedule of the County's Proportionate Share of the Net OPEB Liability (Asset)
Ohio Public Employees Retirement System - OPEB Plan
Last Seven Years (1)

	2023	2022	2021	2020	2019	2018	2017
County's Proportion of the Net OPEB Liability/Asset	0.04441900%	0.04432700%	0.03577200%	0.03791700%	0.03788900%	0.03695000%	0.03576000%
County's Proportionate Share of the Net OPEB Liability (Asset)	\$280,070	(\$1,388,391)	(\$637,308)	\$5,237,323	\$4,939,831	\$4,012,498	\$3,611,881
County's Covered Payroll	\$8,083,353	\$7,478,833	\$6,235,343	\$5,679,346	\$5,545,818	\$5,341,526	\$5,095,224
County's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	3.46%	-18.56%	-10.22%	92.22%	89.07%	75.12%	70.89%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	94.79%	128.23%	115.57%	47.80%	46.33%	54.14%	54.04%

(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 year.

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

See accompanying notes to the required supplementary information

Noble County, Ohio
Required Supplementary Information
Schedule of County Contributions
Ohio Public Employees Retirement System
Last Ten Years

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Net Pension Liability - Traditional Plan				
Contractually Required Contribution	\$1,149,158	\$1,000,803	\$875,179	\$804,274
Contributions in Relation to the Contractually Required Contribution	<u>(1,149,158)</u>	<u>(1,000,803)</u>	<u>(875,179)</u>	<u>(804,274)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
County Covered Payroll	\$7,828,777	\$6,877,315	\$6,031,693	\$5,554,035
Pension Contributions as a Percentage of Covered Payroll	14.68%	14.55%	14.51%	14.48%
Net Pension Liability (Asset) - Combined Plan				
Contractually Required Contribution	\$23,107	\$25,872	\$20,188	\$9,812
Contributions in Relation to the Contractually Required Contribution	<u>(23,107)</u>	<u>(25,872)</u>	<u>(20,188)</u>	<u>(9,812)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
County Covered Payroll	\$192,558	\$184,800	\$144,200	\$70,086
Pension Contributions as a Percentage of Covered Payroll	12.00%	14.00%	14.00%	14.00%
Net OPEB Liability (Asset) - OPEB Plan (1)				
Contractually Required Contribution	\$5,879	\$2,383	\$2,378	\$2,209
Contributions in Relation to the Contractually Required Contribution	<u>(5,879)</u>	<u>(2,383)</u>	<u>(2,378)</u>	<u>(2,209)</u>
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
County Covered Payroll (2)	\$8,083,353	\$7,478,833	\$6,235,343	\$5,679,346
OPEB Contributions as a Percentage of Covered Payroll	0.07%	0.03%	0.04%	0.04%

(1) Although this schedule is intended to reflect information for ten years, information prior to 2016 is not available for the OPEB plan.

(2) The OPEB plan includes the members from the traditional plan, the combined plan, and the member directed plan. The member directed plan is a defined contribution pension plan; therefore, the pension side is not included above.

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015	2014
\$785,348	\$751,703	\$669,268	\$579,847	\$547,021	\$520,425
<u>(785,348)</u>	<u>(751,703)</u>	<u>(669,268)</u>	<u>(579,847)</u>	<u>(547,021)</u>	<u>(520,425)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$5,427,004	\$5,215,105	\$4,999,205	\$4,688,383	\$4,433,709	\$4,218,321
14.47%	14.41%	13.39%	12.37%	12.34%	12.34%
\$8,990	\$8,697	\$4,286	\$7,626	\$10,105	\$10,872
<u>(8,990)</u>	<u>(8,697)</u>	<u>(4,286)</u>	<u>(7,626)</u>	<u>(10,105)</u>	<u>(10,872)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$64,214	\$62,121	\$32,969	\$63,550	\$84,208	\$90,600
14.00%	14.00%	13.00%	12.00%	12.00%	12.00%
\$2,184	\$2,572	\$52,844	\$97,730		
<u>(2,184)</u>	<u>(2,572)</u>	<u>(52,844)</u>	<u>(97,730)</u>		
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>		
\$5,545,818	\$5,341,526	\$5,095,224	\$4,819,233		
0.04%	0.05%	1.04%	2.03%		

Noble County
Notes to the Required Supplementary Information
For the year ended December 31, 2023

Changes in Assumptions – OPERS Pension– Traditional Plan

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

	<u>2022</u>	<u>2019 through 2021</u>	<u>2018 and 2017</u>	<u>2016 and prior</u>
Wage Inflation	2.75 percent	3.25 percent	3.25 percent	3.75 percent
Future Salary Increases	2.75 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	3.25 to 10.75 percent including wage inflation	4.25 to 10.05 percent including wage inflation
COLA or Ad Hoc COLA:				
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent	8 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age	Individual Entry Age

The assumptions related to COLA or Ad Hoc COLA for Post-January 7, 2013, Retirees are as follows:

COLA or Ad Hoc COLA, Post-January 7, 2013 Retirees:

2023	3.0 percent, simple through 2023 then 2.05 percent, simple
2022	3.0 percent, simple through 2022 then 2.05 percent, simple
2021	0.5 percent, simple through 2021 then 2.15 percent, simple
2020	1.4 percent, simple through 2020 then 2.15 percent, simple
2017 through 2019	3.0 percent, simple through 2018 then 2.15 percent, simple
2016 and prior	3.0 percent, simple through 2018 then 2.80 percent, simple

Amounts reported beginning in 2022 use pre-retirement mortality rates based on 130 percent of the Pub-2010 General Employee Mortality tables (males and females) for State and Local Government divisions and 170 percent of the Pub-2010 Safety Employee Mortality tables (males and females) for the Public Safety and Law Enforcement divisions. Post-retirement mortality rates are based on 115 percent of the PubG-2010 Retiree Mortality Tables (males and females) for all divisions. Post-retirement mortality rates for disabled retirees are based on the PubNS-2010 Disabled Retiree Mortality Tables (males and females) for all divisions. For all the previously described tables, the base year is 2010 and mortality rates for a particular calendar year are determined by applying the MP-2020 mortality improvement scales (males and females) to all these tables.

Noble County
Notes to the Required Supplementary Information
For the year ended December 31, 2023

Amounts reported for 2017 through 2021 use mortality rates based on the RP-2014 Healthy Annuitant mortality table. For males, Healthy Annuitant Mortality tables were used, adjusted for mortality improvement back to the observation period base of 2006 and then established the base year as 2015. For females, Healthy Annuitant Mortality tables were used, adjusted for mortality improvements back to the observation period base year of 2006 and then established the base year as 2010. The mortality rates used in evaluating disability allowances were based on the RP-2014 Disabled mortality tables, adjusted for mortality improvement back to the observation base year of 2006 and then established the base year as 2015 for males and 2010 for females. Mortality rates for a particular calendar year for both healthy and disabled retiree mortality tables are determined by applying the MP-2015 mortality improvement scale to the above described tables.

Amounts reported for 2016 and prior use mortality rates based on the RP-2000 Mortality Table projected 20 years using Projection Scale AA. For males, 105 percent of the combined healthy male mortality rates were used. For females, 100 percent of the combined healthy female mortality rates were used. The mortality rates used in evaluating disability allowances were based on the RP-2000 mortality table with no projections. For males 120 percent of the disabled female mortality rates were used set forward two years. For females, 100 percent of the disabled female mortality rates were used.

Changes in Assumptions – OPERS Pension – Combined Plan

	2022	2019 through 2021	2018
Wage Inflation	2.75 percent	3.25 percent	3.25 percent
Future Salary Increases	2.75 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation	3.25 to 8.25 percent including wage inflation
COLA or Ad Hoc COLA:			
Pre-January 7, 2013 Retirees	3 percent, simple	3 percent, simple	3 percent, simple
Post-January 7, 2013 Retirees	see below	see below	see below
Investment Rate of Return	6.9 percent	7.2 percent	7.5 percent
Actuarial Cost Method	Individual Entry Age	Individual Entry Age	Individual Entry Age

For 2022, 2021 and 2020, the Combined Plan had the same change in COLA or Ad Hoc COLA for Post-January 2, 2013, retirees as the Traditional Plan.

Noble County
Notes to the Required Supplementary Information
For the year ended December 31, 2023

Changes in Assumptions – OPERS OPEB

Wage Inflation:	
2023 and 2022	2.75 percent
2021 and prior	3.25 percent
Projected Salary Increases (including wage inflation):	
2023 and 2022	2.75 to 10.75 percent
2021 and prior	3.25 to 10.75 percent
Investment Return Assumption:	
Beginning in 2019	6.00 percent
2018	6.50 percent
Municipal Bond Rate:	
2023	4.05 percent
2022	1.84 percent
2021	2.00 percent
2020	2.75 percent
2019	3.71 percent
2018	3.31 percent
Single Discount Rate:	
2023	5.22 percent
2022	6.00 percent
2021	6.00 percent
2020	3.16 percent
2019	3.96 percent
2018	3.85 percent
Health Care Cost Trend Rate:	
2023	5.5 percent, initial 3.5 percent, ultimate in 2036
2022	5.5 percent, initial 3.5 percent, ultimate in 2034
2021	8.5 percent, initial 3.5 percent, ultimate in 2035
2020	10.5 percent, initial 3.5 percent, ultimate in 2030
2019	10.0 percent, initial 3.25 percent, ultimate in 2029
2018	7.5 percent, initial 3.25 percent, ultimate in 2028

Changes in Benefit Terms – OPERS OPEB

On January 15, 2020, the Board approved several changes to the health care plan offered to Medicare and non-Medicare retirees in efforts to decrease costs and increase the solvency of the health care plan. These changes are effective January 1, 2022, and include changes to base allowances and eligibility for Medicare retirees, as well as replacing OPERS-sponsored medical plans for non-Medicare retirees with monthly allowances, similar to the program for Medicare retirees. These changes are reflected in 2021.

NOBLE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED 2023

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Job and Family Services</i>			
SNAP Cluster			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2223-11-6972 G-2425-11-6181	\$92,895 35,102
COVID-19 - State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	10.561	G-2223-11-6972	<u>22,812</u>
Total SNAP Cluster			150,809
<i>Passed Through Ohio Department of Natural Resources</i>			
Schools and Roads - Grants to States	10.665	N/A	<u>1,431</u>
Total U.S. Department of Agriculture			152,240
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed Through Ohio Department of Development</i>			
Community Development Block Grants - State's Program	14.228	B-F-22-1CD-1 B-C-20-1CD-1 B-F-20-1CD-1	145,651 174,525 41,814
Total Community Development Block Grants - State's Program			<u>361,990</u>
Home Investment Partnerships Program	14.239	B-C-20-1CD-2	<u>20,567</u>
Total U.S. Department of Housing and Urban Development			382,557
U.S. DEPARTMENT OF THE INTERIOR			
<i>Direct Award</i>			
Payment in Lieu of Taxes	15.226	N/A	807
<i>Passed Through Ohio Department of Natural Resources</i>			
National Forest Acquired Lands	15.438	N/A	<u>877</u>
Total U.S. Department of the Interior			1,684
U.S. DEPARTMENT OF JUSTICE			
<i>Passed Through Ohio Attorney General</i>			
Crime Victim Assistance	16.575	2023-VOCA-135111620 2023-VOCA-135111615 2022-VOCA-134717810	3,911 23,062 1,243
Total Crime Victim Assistance			<u>28,216</u>
Total U.S. Department of Justice			28,216
U.S. DEPARTMENT OF LABOR			
<i>Passed Through Workforce Investment Act Area 15</i>			
WIOA Cluster			
WIOA Adult Program	17.258	G-2223-15-0045	43,448
WIOA Youth Activities	17.259	G-2223-15-0045	180,320
WIOA Dislocated Worker Formula Grants	17.278	G-2223-15-0045	129,466
Total WIOA Cluster			<u>353,234</u>
Total U.S. Department of Labor			353,234
U.S. DEPARTMENT OF TRANSPORTATION			
<i>Passed Through Ohio Department of Transportation</i>			
Highway Planning and Construction	20.205	PID 118738 PID 115238	43,662 7,300
Total Highway Planning and Construction			<u>50,962</u>
Total U.S. Department of Transportation			50,962
U.S. DEPARTMENT OF THE TREASURY			
<i>Direct from Federal Government</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	21.027	2023	439,597
<i>Passed through Ohio Office of Criminal Justice Services</i>			
COVID-19 American Rescue Plan (ARPA) Retention Bonuses, Incentives and Activities	21.027	22-AR-LEP-962	115,750
<i>Passed through Ohio Department of Job and Family Services</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Funds - Medicaid Unwinding	21.027	G-2425-11-6181	<u>36,234</u>
Total COVID-19 Coronavirus State and Local Fiscal Recovery Funds			591,581
<i>Direct from Federal Government</i>			
COVID-19 Local Assistance and Tribal Consistency Fund	21.032	2023	<u>12,236</u>
Total U.S. Department of the Treasury			603,817

NOBLE COUNTY

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED 2023
(Continued)**

FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. ELECTION ASSISTANCE COMMISSION			
<i>Passed Through Ohio Secretary of State</i>			
2018 HAVA Election Security Grants	90.404	EACELSEC18OH	<u>9,880</u>
Total U.S. Election Assistance Commission			9,880
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed Through Ohio Department of Developmental Disabilities</i>			
Social Services Block Grant	93.667	2301OHSOSR	10,632
<i>Passed Through Ohio Department of Job and Family Services</i>			
Promoting Safe and Stable Families	93.556	G-2223-11-6972 G-2425-11-6181	5,741 <u>11,139</u>
Total Promoting Safe and Stable Families			16,880
Temporary Assistance for Needy Families	93.558	G-2223-11-6972 G-2425-11-6181	780,051 <u>62,447</u>
Total Temporary Assistance for Needy Families			842,498
Child Support Enforcement	93.563	G-2223-11-6972 G-2425-11-6181	116,828 <u>42,265</u>
Total Child Support Enforcement			159,093
Stephanie Tubbs Jones Child Welfare Services Program	93.645	G-2425-11-6181	3,273
CCDF Cluster			
Child Care and Development Block Grant	93.575	G-2223-11-6972	<u>7,101</u>
Total CCDF Cluster			7,101
Foster Care (Title IV-E)	93.658	G-2223-11-6972 G-2425-11-6181	25,356 <u>21,631</u>
Total Foster Care (Title IV-E)			46,987
Adoption Assistance	93.659	G-2223-11-6972 G-2425-11-6181	69,882 <u>30,940</u>
Total Adoption Assistance			100,822
Social Services Block Grant	93.667	G-2223-11-6972 G-2425-11-6181	160,713 <u>58,014</u>
Total Social Services Block Grant			218,727
Elder Abuse Prevention Interventions Program	93.747	G-2223-11-6972	27,248
Children's Health Insurance Program	93.767	G-2223-11-6972	543
Medicaid Cluster			
Medical Assistance Program	93.778	G-2223-11-6972 G-2425-11-6181	230,038 <u>81,205</u>
Total Medicaid Cluster			<u>311,243</u>
Total U.S. Department of Health and Human Services			1,745,047
U.S. DEPARTMENT OF HOMELAND SECURITY			
<i>Passed Through Ohio Emergency Management Agency</i>			
Disaster Grants - Public Assistance	97.036	121-012-EP-00006	5,101
Emergency Management Performance Grants	97.042	EMC-2022-EP-00006	<u>39,483</u>
Total U.S. Department of Homeland Security			<u>44,584</u>
Total Expenditures of Federal Awards			<u><u>\$3,372,221</u></u>

The accompanying notes are an integral part of this Schedule.

NOBLE COUNTY

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2023**

NOTE A – BASIS OF PRESENTATION

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

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

NOTE D – COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) and HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) GRANT PROGRAMS with REVOLVING LOAN CASH BALANCE

The current cash balance on the County's local program income account as of December 31, 2023, is \$45,911.

NOTE E - MATCHING REQUIREMENTS

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

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Columbus, Ohio 43215
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800-282-0370

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

Noble County
200 Courthouse Square
Caldwell, Ohio 43724

To the Board of County Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Noble County, Ohio (the County), as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the County’s basic financial statements and have issued our report thereon dated September 23, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the County’s internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purposes of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the County’s internal control. Accordingly, we do not express an opinion on the effectiveness of the County’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 County’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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We identified a certain deficiency in internal control, described in the accompanying Schedule of Findings as item 2023-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the County'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*.

County's Response to the Finding

Government Auditing Standards requires the auditor to perform limited procedures on the County's response to the finding identified in our audit and described in the accompanying Corrective Action Plan. The County's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

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 County'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 County's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

September 23, 2024

OHIO AUDITOR OF STATE KEITH FABER



65 East State Street
Columbus, Ohio 43215
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800-282-0370

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

Noble County
200 Courthouse Square
Caldwell, Ohio 43724

To the Board of County Commissioners:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Noble County's, Ohio (the County), compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on each of Noble County's major federal programs for the year ended December 31, 2023. The County's major federal programs are identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2023.

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

The County'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 County'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 County'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 County's compliance with the requirements of each major federal program as a whole.

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the County'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 County'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 County'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

September 23, 2024

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NOBLE COUNTY
SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2023

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	Yes
(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): AL #93.558, Temporary Assistance for Needy Families AL #93.667, Social Services Block Grant AL #93.778, Medical Assistance Program	
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

NOBLE COUNTY

SCHEDULE OF FINDINGS

2 CFR § 200.515

DECEMBER 31, 2023

(Continued)

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

FINDING NUMBER 2023-001

Significant Deficiency

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

We noted the Noble County Health Department entered into a Water Pollution Control Loan Fund Agreement in the amount of \$100,000 in May 2023. The \$100,000 in Capital Contributions from Grants, Contractual Services expense, Proceeds from OWDA Loans and Principal Paid on OWDA Loans was brought on the financial statements during the GAAP conversion; however, this was not activity of the County, but was activity of the Noble County Health Department. This caused Capital Contributions from Grants, Contractual Services, Proceeds from OWDA Loans and Principal Paid on OWDA Loans to be overstated in the Sewer Fund in the amount of \$100,000. These adjustments, with which management has agreed, are reflected in the accompanying financial statements.

We also noted the following:

- Final Appropriations in the Public Assistance Fund was understated in the amount of \$100,000; and
- Compensated absences expense was overstated in the Judicial expense line item and understated in the Public Safety expense line item in the amount of \$93,649.

As these errors are not significant to the opinion units affected, the adjustments/reclassifications noted above were agreed to by management but were not posted to the financial statements.

Not properly reporting financial activity could result in material misstatements occurring and remaining undetected and increases the risk that management would not be provided an accurate picture of the County's financial position and operations.

The County should utilize available authoritative resources to ensure the financial statements accurately classify and record all receipt and expenditure transactions and appropriately compile receivable/payable transactions at year-end.

Officials' Response: See Corrective Action Plan

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

**Noble County Auditor
Ruth Hayes**



**CORRECTIVE ACTION PLAN
2 CFR § 200.511(c)
December 31, 2023**

Finding Number: 2023-001

Planned Corrective Action: The Noble County Auditor or designated staff will review LGS audit papers before completion.

Anticipated Completion Date: March 30, 2025

Responsible Contact Person: Ruth Hayes, Noble County Auditor

OHIO AUDITOR OF STATE KEITH FABER



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 9/26/2024

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

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