



**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY**

SINGLE AUDIT

FOR THE YEAR ENDED JUNE 30, 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Noble Local School District
Noble County
20977 SR 146
Sarahsville, Ohio 43779

To the Board of Education:

We have audited the accompanying general purpose financial statements of the Noble Local School District, Noble County, Ohio (the School District), as of and for the year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Noble Local School District, Noble County, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust funds for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2000, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the School District, taken as a whole. The accompanying Schedule of Federal Awards Receipts and Expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

Jim Petro
Auditor of State

November 29, 2000

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**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY**

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2000**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Assets and Other Debits:				
Assets:				
Equity in Pooled Cash and Cash Equivalents	\$2,255,610	\$156,784	\$405,580	\$82,889
Receivables:				
Taxes	2,117,589	39,997	238,021	0
Accounts	568	0	0	0
Intergovernmental	305	13,814	0	0
Interfund	30,163	0	0	0
Due from Other Funds	13,481	0	0	0
Prepaid Items	80,166	5,013	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	7,878	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	79,251	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
Other Debits:				
Amount Available in Debt Service Fund	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
Total Assets and Other Debits	<u>\$4,585,011</u>	<u>\$215,608</u>	<u>\$643,601</u>	<u>\$82,889</u>

<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Types</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>
<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	
\$12,339	\$0	\$56,264	\$0	\$0	\$2,969,466
0	0	0	0	0	2,395,607
210	0	0	0	0	778
9,630	0	0	0	0	23,749
0	0	0	0	0	30,163
0	0	0	0	0	13,481
3,900	0	0	0	0	89,079
3,376	0	0	0	0	3,376
401	0	0	0	0	8,279
0	0	0	0	0	79,251
65,258	0	0	9,880,345	0	9,945,603
0	0	0	0	425,816	425,816
0	0	0	0	687,761	687,761
<u>\$95,114</u>	<u>\$0</u>	<u>\$56,264</u>	<u>\$9,880,345</u>	<u>\$1,113,577</u>	<u>\$16,672,409</u>

**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY**

**COMBINED BALANCE SHEET
ALL FUND TYPES AND ACCOUNT GROUPS
JUNE 30, 2000
(Continued)**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
Liabilities, Fund Equity and Other Credits:				
Liabilities:				
Accounts Payable	\$76,634	\$128	\$0	\$0
Contracts Payable	512	0	0	2,255
Accrued Wages and Benefits Payable	692,950	61,293	0	0
Compensated Absences Payable	34,329	0	0	0
Interfund Payable	0	0	0	0
Due to Other Funds	0	13,481	0	0
Intergovernmental Payable	123,102	9,838	0	0
Deferred Revenue	1,941,661	36,625	217,785	0
Due to Students	0	0	0	0
Claims Payable	0	0	0	0
Capital Leases Payable	0	0	0	0
Energy Conservation Loan Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
Tax Refund Payable	0	0	0	0
	<u>2,869,188</u>	<u>121,365</u>	<u>217,785</u>	<u>2,255</u>
Total Liabilities				
Fund Equity and Other Credits:				
Investment in				
General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings:				
Unreserved (Deficit)	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	161,503	24,161	59,313	0
Reserved for Inventory	7,878	0	0	0
Reserved for Unclaimed Monies	343	0	0	0
Reserved for Property Taxes	169,007	3,259	19,555	0
Reserved for Budget Stabilization	79,251	0	0	0
Reserved for Endowment	0	0	0	0
Unreserved, Designated	49,284	0	0	0
Unreserved, Undesignated	1,248,557	66,823	346,948	80,634
	<u>1,715,823</u>	<u>94,243</u>	<u>425,816</u>	<u>80,634</u>
Total Fund Equity (Deficits) and Other Credits				
Total Liabilities, Fund Equity and Other Credits	<u>\$4,585,011</u>	<u>\$215,608</u>	<u>\$643,601</u>	<u>\$82,889</u>

The notes to the financial statements are an integral part of this statement.

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$0	\$0	\$0	\$0	\$0	\$76,762
0	0	0	0	0	2,767
27,264	0	0	0	0	781,507
21,413	0	0	0	398,380	454,122
0	30,163	0	0	0	30,163
0	0	0	0	0	13,481
15,202	0	0	0	55,244	203,386
2,060	0	0	0	0	2,198,131
0	0	28,183	0	0	28,183
0	87,266	0	0	0	87,266
0	0	0	0	3,306	3,306
0	0	0	0	150,000	150,000
0	0	0	0	205,000	205,000
0	0	0	0	301,647	301,647
<u>65,939</u>	<u>117,429</u>	<u>28,183</u>	<u>0</u>	<u>1,113,577</u>	<u>4,535,721</u>
0	0	0	9,880,345	0	9,880,345
132,879	0	0	0	0	132,879
(103,704)	(117,429)	0	0	0	(221,133)
0	0	0	0	0	244,977
0	0	0	0	0	7,878
0	0	0	0	0	343
0	0	0	0	0	191,821
0	0	0	0	0	79,251
0	0	26,000	0	0	26,000
0	0	0	0	0	49,284
0	0	2,081	0	0	1,745,043
<u>29,175</u>	<u>(117,429)</u>	<u>28,081</u>	<u>9,880,345</u>	<u>0</u>	<u>12,136,688</u>
<u>\$95,114</u>	<u>\$0</u>	<u>\$56,264</u>	<u>\$9,880,345</u>	<u>\$1,113,577</u>	<u>\$16,672,409</u>

**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	General	Governmental Special Revenue
Revenues:		
Taxes	\$1,844,180	\$41,663
Intergovernmental	4,359,347	580,361
Interest	158,536	0
Tuition and Fees	58,035	0
Extracurricular Activities	6,506	101,927
Miscellaneous	14,631	17,264
	6,441,235	741,215
Total Revenues		
Expenditures:		
Current:		
Instruction:		
Regular	3,052,696	207,929
Special	498,170	257,483
Vocational	153,143	1,323
Adult/Continuing	591	0
Other	1,540	0
Support Services:		
Pupils	300,046	651
Instructional Staff	183,317	55,303
Board of Education	53,088	0
Administration	523,024	55,823
Fiscal	217,437	2,553
Business	4,509	0
Operation and Maintenance of Plant	586,316	14,442
Pupil Transportation	846,347	0
Central	0	4,904
Non-Instructional Services	0	1,366
Extracurricular Activities	107,208	111,956
Capital Outlay	74,432	0
Refund of Property Taxes	135,353	6,422
Debt Service:		
Principal Retirement	4,220	0
Interest and Fiscal Charges	280	0
	6,741,717	720,155
Total Expenditures		
Excess of Revenues Over (Under) Expenditures	(300,482)	21,060
Other Financing Sources (Uses):		
Operating Transfers In	0	0
Operating Transfers Out	(56,603)	0
	(56,603)	0
Total Other Financing Sources (Uses)		
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(357,085)	21,060
Fund Balances at Beginning of Year	2,082,125	73,183
Decrease in Reserve for Inventory	(9,217)	0
Fund Balances at End of Year	\$1,715,823	\$94,243

The notes to the financial statements are an integral part of this statement.

Fund Types		Totals
Debt Service	Capital Projects	(Memorandum Only)
\$209,120	\$0	\$2,094,963
22,004	64,575	5,026,287
0	0	158,536
0	0	58,035
0	0	108,433
0	0	31,895
<u>231,124</u>	<u>64,575</u>	<u>7,478,149</u>
0	0	3,260,625
0	0	755,653
0	0	154,466
0	0	591
0	0	1,540
0	0	300,697
0	0	238,620
0	0	53,088
0	0	578,847
7,915	0	227,905
0	0	4,509
0	0	600,758
0	0	846,347
0	0	4,904
0	0	1,366
0	0	219,164
0	51,395	125,827
11,310	0	153,085
235,000	0	239,220
<u>31,143</u>	<u>0</u>	<u>31,423</u>
<u>285,368</u>	<u>51,395</u>	<u>7,798,635</u>
<u>(54,244)</u>	<u>13,180</u>	<u>(320,486)</u>
56,603	0	56,603
<u>0</u>	<u>0</u>	<u>(56,603)</u>
<u>56,603</u>	<u>0</u>	<u>0</u>
2,359	13,180	(320,486)
423,457	67,454	2,646,219
<u>0</u>	<u>0</u>	<u>(9,217)</u>
<u>\$425,816</u>	<u>\$80,634</u>	<u>\$2,316,516</u>

**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$1,705,787	\$1,885,255	\$179,468
Intergovernmental	4,102,663	4,406,337	303,674
Interest	100,000	158,536	58,536
Tuition and Fees	38,180	56,933	18,753
Extracurricular Activities	5,000	6,506	1,506
Miscellaneous	9,040	18,912	9,872
Total Revenues	5,960,670	6,532,479	571,809
Expenditures:			
Current:			
Instruction:			
Regular	3,138,729	3,065,753	72,976
Special	662,482	529,333	133,149
Vocational	200,998	173,619	27,379
Adult/Continuing	4,425	740	3,685
Other	3,370	1,560	1,810
Support Services:			
Pupils	304,357	287,147	17,210
Instructional Staff	217,646	196,285	21,361
Board of Education	63,418	57,174	6,244
Administration	577,351	534,312	43,039
Fiscal	240,552	223,637	16,915
Business	6,500	4,509	1,991
Operation and Maintenance of Plant	679,383	642,829	36,554
Pupil Transportation	889,689	873,133	16,556
Central	0	0	0
Non-Instructional Services	0	0	0
Extracurricular Activities	114,435	107,220	7,215
Capital Outlay	114,000	113,851	149
Debt Service:			
Principal Retirement	4,220	4,220	0
Interest and Fiscal Charges	280	280	0
Total Expenditures	7,221,835	6,815,602	406,233
Excess of Revenues Over (Under) Expenditures	<u>(1,261,165)</u>	<u>(283,123)</u>	<u>978,042</u>
Other Financing Sources (Uses):			
Other Financing Sources	0	0	0
Refund of Prior Year Receipts	(140,391)	(135,891)	4,500
Refund of Prior Year Expenditures	10,000	30,213	20,213
Operating Transfers In	9,517	0	(9,517)
Operating Transfers Out	(66,120)	(56,603)	9,517
Advances Out	0	(30,163)	(30,163)
Total Other Financing Sources (Uses)	<u>(186,994)</u>	<u>(192,444)</u>	<u>(5,450)</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(1,448,159)</u>	<u>(475,567)</u>	<u>972,592</u>
Fund Balances at Beginning of Year	2,317,283	2,317,283	0
Prior Year Encumbrances Appropriated	<u>246,130</u>	<u>246,130</u>	<u>0</u>
Fund Balances at End of Year	<u>\$1,115,254</u>	<u>\$2,087,846</u>	<u>\$972,592</u>

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$31,240	\$40,112	\$8,872	\$212,580	\$213,453	\$873
571,536	573,394	1,858	21,000	22,004	1,004
0	0	0	0	0	0
0	0	0	0	0	0
102,000	101,927	(73)	0	0	0
12,900	13,466	566	0	0	0
<u>717,676</u>	<u>728,899</u>	<u>11,223</u>	<u>233,580</u>	<u>235,457</u>	<u>1,877</u>
224,686	223,537	1,149	0	0	0
313,746	259,824	53,922	0	0	0
1,323	1,323	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
1,432	1,432	0	0	0	0
69,596	57,791	11,805	0	0	0
0	0	0	0	0	0
60,676	56,504	4,172	0	0	0
3,440	2,553	887	7,924	7,915	9
0	0	0	0	0	0
18,936	13,984	4,952	0	0	0
0	0	0	0	0	0
6,072	4,904	1,168	0	0	0
1,366	1,366	0	0	0	0
141,451	124,123	17,328	0	0	0
0	0	0	0	0	0
0	0	0	295,398	294,313	1,085
0	0	0	31,143	31,143	0
<u>842,724</u>	<u>747,341</u>	<u>95,383</u>	<u>334,465</u>	<u>333,371</u>	<u>1,094</u>
<u>(125,048)</u>	<u>(18,442)</u>	<u>106,606</u>	<u>(100,885)</u>	<u>(97,914)</u>	<u>2,971</u>
3,350	3,299	(51)	0	0	0
(6,558)	(7,176)	(618)	(11,500)	(11,310)	190
0	500	500	0	0	0
0	0	0	56,603	56,603	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>(3,208)</u>	<u>(3,377)</u>	<u>(169)</u>	<u>45,103</u>	<u>45,293</u>	<u>190</u>
(128,256)	(21,819)	106,437	(55,782)	(52,621)	3,161
100,130	100,130	0	339,575	339,575	0
51,825	51,825	0	59,313	59,313	0
<u>\$23,699</u>	<u>\$130,136</u>	<u>\$106,437</u>	<u>\$343,106</u>	<u>\$346,267</u>	<u>\$3,161</u>

**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

	Capital Projects Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Taxes	\$0	\$0	\$0
Intergovernmental	65,655	64,575	(1,080)
Interest	0	0	0
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Miscellaneous	0	0	0
Total Revenues	65,655	64,575	(1,080)
Expenditures:			
Current:			
Instruction:			
Regular	0	0	0
Special	0	0	0
Vocational	0	0	0
Adult/Continuing	0	0	0
Other	0	0	0
Support Services:			
Pupils	0	0	0
Instructional Staff	0	0	0
Board of Education	0	0	0
Administration	0	0	0
Fiscal	0	0	0
Business	0	0	0
Operation and Maintenance of Plant	0	0	0
Pupil Transportation	0	0	0
Central	0	0	0
Non-Instructional Services	0	0	0
Extracurricular Activities	0	0	0
Capital Outlay	128,474	51,395	77,079
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	128,474	51,395	77,079
Excess of Revenues Over (Under) Expenditures	(62,819)	13,180	75,999
Other Financing Sources (Uses):			
Proceeds from Sale of Fixed Assets	0	0	0
Refund of Prior Year Receipts	0	0	0
Refund of Prior Year Expenditures	0	0	0
Operating Transfers In	0	0	0
Operating Transfers Out	0	0	0
Advances Out	0	0	0
Total Other Financing Sources (Uses)	0	0	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(62,819)	13,180	75,999
Fund Balances at Beginning of Year	67,454	67,454	0
Prior Year Encumbrances Appropriated	0	0	0
Fund Balances at End of Year	\$4,635	\$80,634	\$75,999

The notes to the financial statements are an integral part of this statement.

Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)
\$1,949,607	\$2,138,820	\$189,213
4,760,854	5,066,310	305,456
100,000	158,536	58,536
38,180	56,933	18,753
107,000	108,433	1,433
21,940	32,378	10,438
<u>6,977,581</u>	<u>7,561,410</u>	<u>583,829</u>
3,363,415	3,289,290	74,125
976,228	789,157	187,071
202,321	174,942	27,379
4,425	740	3,685
3,370	1,560	1,810
305,789	288,579	17,210
287,242	254,076	33,166
63,418	57,174	6,244
638,027	590,816	47,211
251,916	234,105	17,811
6,500	4,509	1,991
698,319	656,813	41,506
889,689	873,133	16,556
6,072	4,904	1,168
1,366	1,366	0
255,886	231,343	24,543
242,474	165,246	77,228
299,618	298,533	1,085
31,423	31,423	0
<u>8,527,498</u>	<u>7,947,709</u>	<u>579,789</u>
<u>(1,549,917)</u>	<u>(386,299)</u>	<u>1,163,618</u>
3,350	3,299	(51)
(158,449)	(154,377)	4,072
10,000	30,713	20,713
66,120	56,603	(9,517)
(66,120)	(56,603)	9,517
0	(30,163)	(30,163)
<u>(145,099)</u>	<u>(150,528)</u>	<u>(5,429)</u>
(1,695,016)	(536,827)	1,158,189
2,824,442	2,824,442	0
357,268	357,268	0
<u>\$1,486,694</u>	<u>\$2,644,883</u>	<u>\$1,158,189</u>

**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY**

**COMBINED STATEMENT OF REVENUES,
EXPENSES AND CHANGES IN FUND EQUITY
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	Proprietary Fund Types		Fiduciary Fund Type
	Enterprise	Internal Service	Non-Expendable Trust
Operating Revenues:			
Sales	\$223,838	\$0	\$0
Charges for Services	0	721,524	0
Interest	0	0	1,443
Other Revenues	0	24,549	0
Total Operating Revenues	<u>223,838</u>	<u>746,073</u>	<u>1,443</u>
Operating Expenses:			
Salaries	113,028	0	0
Fringe Benefits	67,860	0	0
Purchased Services	3,347	131,296	0
Materials and Supplies	15,718	0	0
Cost of Sales	165,885	0	0
Scholarship	0	0	2,250
Depreciation	8,705	0	0
Claims	0	767,260	0
Total Operating Expenses	<u>374,543</u>	<u>898,556</u>	<u>2,250</u>
Operating Loss	<u>(150,705)</u>	<u>(152,483)</u>	<u>(807)</u>
Non-Operating Revenues:			
Federal Donated Commodities	24,385	0	0
Interest	627	4,461	0
Operating Grants	92,718	0	0
Total Non-Operating Revenues	<u>117,730</u>	<u>4,461</u>	<u>0</u>
Net Loss	<u>(32,975)</u>	<u>(148,022)</u>	<u>(807)</u>
Retained Earnings (Deficit)/Fund Balance at Beginning of Year	<u>(70,729)</u>	<u>30,593</u>	<u>28,888</u>
Retained Earnings (Deficit)/Fund Balance at End of Year	<u>(103,704)</u>	<u>(117,429)</u>	<u>28,081</u>
Contributed Capital at Beginning of Year	131,153	0	0
Contributions During the Year from Other Funds	1,726	0	0
Contributed Capital at End of Year	<u>132,879</u>	<u>0</u>	<u>0</u>
Fund Equity at End of Year	<u>\$29,175</u>	<u>(\$117,429)</u>	<u>\$28,081</u>

The notes to the financial statements are an integral part of this statement.

**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL (BUDGET BASIS)
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	Enterprise Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Sales	\$217,250	\$224,184	\$6,934
Charges for Services	0	0	0
Interest	1,000	627	(373)
Other Revenues	200	0	(200)
Refund of Prior Year Expense	0	0	0
Operating Grants	104,000	98,133	(5,867)
Total Revenues	322,450	322,944	494
Expenses:			
Salaries	123,600	116,781	6,819
Fringe Benefits	70,906	66,824	4,082
Purchased Services	6,770	3,453	3,317
Materials and Supplies	153,553	159,175	(5,622)
Scholarship	0	0	0
Total Expenses	354,829	346,233	8,596
Excess of Revenues Over (Under) Expenses	(32,379)	(23,289)	9,090
Advances In	0	0	0
Excess of Revenues Under Expenses and Advances	(32,379)	(23,289)	9,090
Fund Equity at Beginning of Year	33,153	33,153	0
Prior Year Encumbrances Appropriated	2,278	2,278	0
Fund Equity (Deficit) at End of Year	\$3,052	\$12,142	\$9,090

**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENSES AND
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL (BUDGET BASIS)
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

	Internal Service Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
Revenues:			
Sales	\$0	\$0	\$0
Charges for Services	686,378	721,524	35,146
Interest	8,265	4,461	(3,804)
Other Revenues	45	11,495	11,450
Refund of Prior Year Expense	4,695	13,054	8,359
Operating Grants	0	0	0
Total Revenues	<u>699,383</u>	<u>750,534</u>	<u>51,151</u>
Expenses:			
Salaries	0	0	0
Fringe Benefits	0	0	0
Purchased Services	863,627	907,464	(43,837)
Materials and Supplies	0	0	0
Scholarship	0	0	0
Total Expenses	<u>863,627</u>	<u>907,464</u>	<u>(43,837)</u>
Excess of Revenues Over (Under) Expenses	(164,244)	(156,930)	7,314
Advances In	0	30,163	(30,163)
Excess of Revenues Under Expenses and Advances	(164,244)	(126,767)	37,477
Fund Equity at Beginning of Year	126,767	126,767	0
Prior Year Encumbrances Appropriated	0	0	0
Fund Equity (Deficit) at End of Year	<u>(\$37,477)</u>	<u>\$0</u>	<u>\$37,477</u>

The notes to the financial statements are an integral part of this statement.

Non-Expendable Trust Fund			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$217,250	\$224,184	\$6,934
0	0	0	686,378	721,524	35,146
1,245	1,443	198	10,510	6,531	(3,979)
0	0	0	245	11,495	11,250
0	0	0	4,695	13,054	8,359
0	0	0	104,000	98,133	(5,867)
<u>1,245</u>	<u>1,443</u>	<u>198</u>	<u>1,023,078</u>	<u>1,074,921</u>	<u>51,843</u>
0	0	0	123,600	116,781	6,819
0	0	0	70,906	66,824	4,082
0	0	0	870,397	910,917	(40,520)
0	0	0	153,553	159,175	(5,622)
<u>2,600</u>	<u>2,250</u>	<u>350</u>	<u>2,600</u>	<u>2,250</u>	<u>350</u>
<u>2,600</u>	<u>2,250</u>	<u>350</u>	<u>1,221,056</u>	<u>1,255,947</u>	<u>(34,891)</u>
(1,355)	(807)	548	(197,978)	(181,026)	16,952
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>30,163</u>	<u>30,163</u>
(1,355)	(807)	548	(197,978)	(150,863)	47,115
28,288	28,288	0	188,208	188,208	0
<u>600</u>	<u>600</u>	<u>0</u>	<u>2,878</u>	<u>2,878</u>	<u>0</u>
<u>\$27,533</u>	<u>\$28,081</u>	<u>\$548</u>	<u>(\$6,892)</u>	<u>\$40,223</u>	<u>\$47,115</u>

NOBLE LOCAL SCHOOL DISTRICT
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COMBINED STATEMENT OF CASH FLOWS
ALL PROPRIETARY FUND TYPES AND SIMILAR TRUST FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

	Proprietary Fund Types		Fiduciary Fund Type	Totals (Memorandum Only)
	Enterprise	Internal Service	Non- Expendable Trust	
Increase (Decrease) in Cash and Cash Equivalents:				
Cash Flows from Operating Activities:				
Cash Received from Customers	\$224,184	\$0	\$0	\$224,184
Cash Received from Quasi-External Transactions with Other Funds	0	721,524	0	721,524
Cash Payments to Suppliers				
Other Operating Revenues	0	24,549	0	24,549
Cash Payments to Suppliers for Goods and Services	(162,435)	0	0	(162,435)
Cash Payments for Employee Services	(116,781)	(131,296)	0	(248,077)
Cash Payments for Employee Benefits	(66,820)	0	0	(66,820)
Cash Payments for Scholarships	0	0	(2,250)	(2,250)
Cash Payments for Claims	0	(776,168)	0	(776,168)
Net Cash Used for Operating Activities	<u>(121,852)</u>	<u>(161,391)</u>	<u>(2,250)</u>	<u>(285,493)</u>
Cash Flows from Noncapital Financing Activities:				
Advances In	0	30,163	0	30,163
Operating Grants Received	98,133	0	0	98,133
Net Cash Provided by Noncapital Financing Activities	<u>98,133</u>	<u>30,163</u>	<u>0</u>	<u>128,296</u>
Cash Flows from Investing Activities:				
Interest	627	4,461	1,443	6,531
Net Decrease in Cash and Cash Equivalents	(23,092)	(126,767)	(807)	(150,666)
Cash and Cash Equivalents at Beginning of Year	35,431	126,767	28,888	191,086
Cash and Cash Equivalents at End of Year	<u>\$12,339</u>	<u>\$0</u>	<u>\$28,081</u>	<u>\$40,420</u>
Reconciliation of Operating Loss to Net Cash Used for Operating Activities:				
Operating Loss	<u>(\$150,705)</u>	<u>(\$152,483)</u>	<u>(\$807)</u>	<u>(\$303,995)</u>
Adjustments to Reconcile Operating Loss to Net Cash Used for Operating Activities:				
Depreciation	8,705	0	0	8,705
Interest	0	0	(1,443)	(1,443)
Donated Commodities Used During Year	24,385	0	0	24,385
Changes in Assets and Liabilities:				
Decrease in Accounts Receivable	346	0	0	346
Increase in Prepaid Items	(209)	0	0	(209)
Decrease in Inventory Held for Resale	679	0	0	679
Decrease in Materials and Supplies Inventory	73	0	0	73
Decrease in Accounts Payable	(1,955)	0	0	(1,955)
Increase in Accrued Wages and Benefits Payable	898	0	0	898
Decrease in Compensated Absences Payable	(4,162)	0	0	(4,162)
Increase in Intergovernmental Payable	93	0	0	93
Decrease in Claims Payable	0	(8,908)	0	(8,908)
Total Adjustments	<u>28,853</u>	<u>(8,908)</u>	<u>(1,443)</u>	<u>18,502</u>
Net Cash Used for Operating Activities	<u>(\$121,852)</u>	<u>(\$161,391)</u>	<u>(\$2,250)</u>	<u>(\$285,493)</u>
Non-Cash Transactions:				
During fiscal year 2000, the Food Service Enterprise Fund received non-cash contributions of \$1,726. This amount represents donated fixed assets used in the operation of this fund.				
Reconciliation:				
Cash and Cash Equivalents - All Fiduciary Funds		\$56,264		
Cash and Cash Equivalents - Agency Fund		(28,183)		
Cash and Cash Equivalents - Non-Expendable Trust Fund		<u>\$28,081</u>		

The notes to the financial statements are an integral part of this statement.

**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

Note 1 - Description of the School District and Reporting Entity

Noble Local School District is a body politic and corporate established for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio.

The School District operates under a locally-elected five-member Board form of government and provides educational services as mandated by State and/or federal agencies. This Board of Education controls the School District's two instructional/support facilities staffed by 54 classified and 90 certificated full time teaching personnel who provide services to 1,314 students and other community members.

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

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

The School District is involved with the Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA) and the Mid-East Ohio Joint Vocational School District, which are defined as jointly governed organizations; the Ohio School Boards Association Workers' Compensation Group Rating Plan, which is defined as a group insurance purchasing pool; and the Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA) Self-Insurance Plan, which is defined as a claims servicing pool. Additional information concerning the jointly governed organizations, and information concerning the group insurance purchasing pool and the claims servicing pool is presented in Note 17.

Note 2 - Summary of Significant Accounting Policies

The financial statements of Noble Local School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

A. Basis Of Presentation - Fund Accounting

The School District uses funds and account groups to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities.

**NOBLE LOCAL SCHOOL DISTRICT
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

For financial statement presentation purposes, the various funds of the School District are grouped into the following generic fund types under the broad fund categories governmental, proprietary, and fiduciary.

Governmental Fund Types Governmental funds are those through which most governmental functions of the School District are financed. The acquisition, use, and balances of the School District's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The following are the School District's governmental fund types:

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

Special Revenue Funds Special revenue funds are used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes.

Debt Service Fund The debt service fund is used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Capital Projects Funds Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

Proprietary Fund Types Proprietary funds are used to account for the School District's ongoing activities which are similar to those found in the private sector. The following are the School District's proprietary fund types:

Enterprise Funds Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Internal Service Fund The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis.

Fiduciary Fund Types Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units, and/or other funds. The School District's fiduciary funds include a non-expendable trust fund and an agency fund. The non-expendable trust fund is accounted for in essentially the same manner as proprietary funds. The School District's agency fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operations.

**NOBLE LOCAL SCHOOL DISTRICT
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

Account Groups To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term obligations related to specific funds and those of a general nature, the following account groups are used:

General Fixed Assets Account Group This account group is established to account for all fixed assets of the School District, other than those accounted for in the proprietary funds.

General Long-Term Obligations Account Group This account group is established to account for all long-term obligations of the School District except those accounted for in the proprietary funds.

B. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary fund types and the non-expendable trust fund are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

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

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: interest, tuition, grants, and student fees.

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized. Property taxes measurable as of June 30, 2000, and delinquent property taxes whose availability is indeterminable and which are intended to finance fiscal year 2001 operations, have been recorded as deferred revenue.

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 the governmental funds.

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund types and the non-expendable trust fund. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. The fair value of donated commodities used during the fiscal year is reported in the

**NOBLE LOCAL SCHOOL DISTRICT
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

C. Budgetary Data

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the fiscal year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The legal level of budgetary control is at the fund level, and the authority to further allocate appropriations at the function/object level is delegated to the School District's Treasurer. Budgetary information is presented at the function level for governmental funds and at the object level for proprietary funds in the general purpose financial statements to provide more meaningful information. Any budgetary modifications at the fund level may only be made by resolution of the Board of Education.

Tax Budget Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing or increased tax rates. By no later than January 20, the Board-adopted budget is filed with the County Budget Commission for rate determination.

Estimated Resources By April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding fiscal year. The certificate may be further amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2000.

Appropriations Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution is legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District. The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission. Any revisions that alter the total of any fund appropriations must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources. During the fiscal year, several supplemental appropriations were legally enacted; however, none of these amendments were significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the fiscal year for all funds, other than agency funds, consistent with statutory provisions.

**NOBLE LOCAL SCHOOL DISTRICT
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

Encumbrances As part of formal budgetary control, purchase orders, contracts, and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Encumbrances plus expenditures may not legally exceed appropriations at the legal level of control. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for proprietary funds.

Lapsing of Appropriations At the close of each fiscal year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

D. Cash and Cash Equivalents

To improve cash management, cash received by the School District Treasurer is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through the School District's records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the balance sheet. The School District participates in the OME-RESA insurance consortium for self-insurance. These monies are held separate from the School District's central bank account.

During fiscal year 2000, investments were limited to STAROhio.

The School District has invested funds in the State Treasury Asset Reserve of Ohio (STAROhio) during fiscal year 2000. STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with Rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for on June 30, 2000.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2000 amounted to \$158,536, which includes \$36,836 assigned from other School District funds.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the School District are considered to be cash equivalents. During the fiscal year, the School District had no investments that met this criterion.

E. Inventory

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased. Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets. Inventories of proprietary funds consist of donated food, purchased food, and school supplies held for resale and are expended when used.

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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

F. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2000, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

G. Fixed Assets and Depreciation

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and the related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. Donated fixed assets are recorded at their fair market values as of the dates received. The School District maintains a capitalization threshold of five hundred dollars. The School District does not possess any infrastructure.

Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized. Interest incurred during the construction of general fixed assets is also not capitalized.

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment and vehicles in the proprietary fund types is computed using the straight-line method over an estimated useful life of ten to twenty years. Improvements to fund fixed assets are depreciated over the remaining useful lives of the related fixed assets.

H. Intergovernmental Revenues

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and become measurable.

The School District currently participates in several State and federal programs, categorized as follows:

Entitlements

General Fund

State Foundation Program
School Bus Purchase
State Property Tax Relief

Special Revenue Funds

Disadvantaged Pupil Impact Aid

Non-Reimbursable Grants

Special Revenue Funds

Title VI-B
Eisenhower Grant
Vocational Education
Title I
Title VI
Drug Free Schools
Educational Management Information System

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NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

Professional Development
Venture Capital
Goals 2000 Intervention
School-to-Work
Ohio READS Grant

Capital Projects Funds

School Net Plus
Technology Equity

Reimbursable Grants

General Fund

Driver Education

Special Revenue Funds

Vocational Education Travel

Capital Projects Funds

Vocational Education Equipment

Proprietary Funds

National School Lunch Program
Government Donated Commodities

Grants and entitlements received in governmental funds amounted to 67 percent of governmental fund revenue during the 2000 fiscal year.

I. Interfund Assets/Liabilities

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the balance sheet. As of June 30, 2000, the School District's General Fund had a \$30,163 interfund receivable due from the Self-Insurance Internal Service Fund resulting from a negative cash advance.

J. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

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 School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for all employees with at least twenty years of service.

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For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using available expendable resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

K. Accrued Liabilities and Long-Term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims, compensated absences, and contractually required pension contributions that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current expendable available financial resources. In general, amounts paid more than sixty days after fiscal year end are considered not to have been paid with current available financial resources. Bonds and long-term loans are recognized as a liability of the general long-term obligations account group until due.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

L. Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

M. Restricted Assets

Restricted assets in the General Fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include amounts required by statute to be set-aside by the School District to create a reserve for budget stabilization. See Note 19 for the calculations of the year end restricted asset balance and the corresponding fund balance reserve.

N. Estimates

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

O. Fund Balance Reserves

The School District records reservations for portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves are established for encumbrances, inventory, property taxes, unclaimed monies, budget stabilization, and endowments. The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. Under Ohio law, unclaimed money must be held for five years before it becomes available for appropriation. Money not held for the five year period is presented as reserved. The reserve for endowment signifies the legal restrictions on the use of principal. The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures.

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P. Designated Fund Balance

The School District has a fund balance designation on the balance sheet for set aside money above the reserve for budget stabilization required by State statute.

Q. Contributed Capital

Contributed capital represents resources from other funds, other governments and private sources provided to the proprietary funds that are not subject to repayment. These assets are recorded at their fair market value on the date contributed. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year end. During fiscal year 2000, the School District's contributed capital increased by \$1,726.

Because the School District did not prepare financial statements in accordance with generally accepted accounting principles prior to fiscal year 1997, the exact amount of contributed capital cannot be determined. Consequently, only those amounts that have been specifically identified have been classified as contributed capital in the accompanying combined financial statements. All other fund equity amounts pertaining to proprietary funds have been classified as retained earnings.

R. Total Columns on General Purpose Financial Statements

Total columns on the general purpose financial statements are captioned "Totals (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

Note 3 - Compliance and Accountability

A. Compliance

Ohio Revised Code Section 5705.39 prohibits appropriations from exceeding estimated resources and carryover balances. The Self-Insurance Internal Service Fund had appropriations in excess of estimated resources and carryover balances in the amount of \$37,477.

B. Accountability

At June 30, 2000, the Disadvantaged Pupil Impact Aid, Miscellaneous Federal Grants Special Revenue Funds and the Self-Insurance Internal Service Fund had deficit fund balances/retained earnings in the amounts of \$85, \$2,427, and \$117,429, respectively. These deficits were created by the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

The Food Service Enterprise Fund had deficit retained earnings of \$103,937 due to the recognition of contributed capital in accordance with generally accepted accounting principles. The School District is analyzing food operations to determine appropriate steps to alleviate the deficits.

Note 4 - Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations, and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis), All Governmental Fund Types and the Combined

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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
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Statement of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Budget Basis), All Proprietary Fund Types and Similar Trust 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 GAAP basis are:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosures in the proprietary fund types (GAAP basis).
4. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type:

Excess of Revenues and Other Financing Sources Over (Under) Expenditures
and Other Financing Uses - All Governmental Fund Types

	General	Special Revenue	Debt Service	Capital Projects
GAAP Basis	(\$357,085)	\$21,060	\$2,359	\$13,180
Revenue Accruals	121,457	(8,517)	4,333	0
Expenditure Accruals	37,112	(7,714)	0	2,255
Advances Out	(30,163)	0	0	0
Encumbrances	(246,888)	(26,648)	(59,313)	(2,255)
Budget Basis	(\$475,567)	(\$21,819)	(\$52,621)	\$13,180

Net Loss/Excess of Revenues Under Expenses and Advances -
All Proprietary Fund Types and Similar Trust Fund

	Enterprise	Internal Service	Non-Expendable Trust
GAAP Basis	(\$32,975)	(\$148,022)	(\$807)
Revenue Accruals	5,761	0	0
Expense Accruals	(4,374)	(8,908)	0
Depreciation Expense	8,705	0	0
Prepaid Items	(209)	0	0
Advances In	0	30,163	0
Encumbrances	(197)	0	0
Budget Basis	(\$23,289)	(\$126,767)	(\$807)

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Note 5 - Deposits and Investments

State statutes classify monies held by the School District into three categories.

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

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

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

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

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio;
5. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
6. The State Treasurer's investment pool (STAROhio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time; and

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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
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8. Under limited circumstances, corporate debt interest rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements) and Reverse Repurchase Agreements."

Undeposited Cash At fiscal year end, the School District had \$127 in undeposited cash on hand which is included on the balance sheet of the School District as part of "Cash and Cash Equivalents".

Deposits At fiscal year end, the carrying amount of the School District's deposits was \$428,505 and the bank balance was \$547,137. \$100,000 of the bank balance was covered by federal depository insurance. \$447,137 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institution's trust department in the School District's name and all State statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

Investments The School District's investments are required to be categorized to give an indication of the level of risk assumed by the School District at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. The School District's investment in STAR Ohio, an investment pool operated by the Ohio State Treasurer, is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form. The fair value is \$2,620,085.

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9., "Reporting Cash Flows of Proprietary and Nonexpendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting."

A reconciliation between the classifications of cash and cash equivalents and investments on the combined financial statements and the classification of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$3,048,717	\$0
Undeposited Cash	(127)	0
Investment in STAR Ohio	(2,620,085)	2,620,085
GASB Statement 3	\$428,505	\$2,620,085

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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
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Note 6 - Property Taxes

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

Property taxes include amounts levied against all real, public utility and tangible personal property located in the School District. Property tax revenue received during calendar 2000 for real and public utility property taxes represents collections of calendar 1999 taxes. Property tax payments received during calendar 2000 for tangible personal property (other than public utility property) is for calendar 2000 taxes.

2000 real property taxes are levied after April 1, 2000, on the assessed value as of January 1, 2000, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2000 public utility property taxes became a lien December 31, 1999, are levied after April 1, 2000 and are collected in 2001 with real property taxes.

2000 tangible personal property taxes are levied after April 1, 1999, on the value as of December 31, 1999. Collections are made in 2000. Tangible personal property assessments are twenty-five percent of true value.

Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Tangible personal property taxes paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

	1999 Second- Half Collections		2000 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/ Residential and Other Real Estate	\$46,090,090	63.95 %	\$52,084,160	66.95 %
Public Utility Personal	24,786,190	34.39 %	24,594,870	31.62 %
Tangible Personal Property	1,188,830	1.66 %	1,112,050	1.43 %
Total	\$72,065,110	100.00 %	\$77,791,080	100.00 %
Tax rate per \$1,000 of assessed valuation	\$37.20		\$37.20	

The School District receives property taxes from Noble, Guernsey, and Monroe Counties. The Noble County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2000, are available to finance fiscal year 2000 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

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Accrued property taxes receivable represent delinquent taxes outstanding and real property, tangible personal property and public utility taxes which became measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2000, was \$191,821 and is recognized as revenue. \$169,007 was available to the General Fund, \$3,259 was available to the Classroom Facilities Special Revenue Fund, and \$19,555 was available to the Debt Service Fund.

Note 7 - Receivables

Receivables at June 30, 2000, consisted of taxes, accounts (rent and tuition, intergovernmental grants, and interfund receivables. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follows:

<u>Intergovernmental Receivables</u>	<u>Amounts</u>
General Fund:	
Miscellaneous Reimbursements	\$305
Special Revenue Funds:	
Title I	10,520
Title VI-B	3,294
Total Special Revenue Funds	<u>13,814</u>
Food Service Enterprise Fund:	
National and State School Lunch Reimbursement	9,630
Total Intergovernmental Receivables	<u>\$23,749</u>

Note 8 - Fixed Assets

A summary of the enterprise fund's fixed assets at June 30, 2000, follows:

Furniture and Equipment	\$193,175
Less: accumulated depreciation	<u>(127,917)</u>
Net Fixed Assets	<u>\$65,258</u>

A summary of the changes in general fixed assets at June 30, 2000, follows:

	Balance 6/30/99	Additions	Deductions	Balance 6/30/00
Land and Improvements	\$530,818	\$0	\$0	\$530,818
Buildings	6,120,260	26,217	0	6,146,477
Vehicles	1,272,369	212,419	76,696	1,408,092
Furniture and Equipment	1,788,737	75,035	68,814	1,794,958
Total General Fixed Assets	<u>\$9,712,184</u>	<u>\$313,671</u>	<u>\$145,510</u>	<u>\$9,880,345</u>

There was no significant construction in progress at June 30, 2000.

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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
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Note 9 - Risk Management

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2000, the School District contracted with Westfield Insurance Company for property insurance and Hartford Insurance Company for boiler and machinery coverage. These policies include a \$500 deductible.

Professional liability is protected by The Nationwide Insurance Company with a \$2,000,000 single occurrence limit and \$5,000,000 aggregate and no deductible. Vehicles are covered by State Farm Mutual Insurance for comprehensive and collision with no deductible. Automobile liability has a \$1,000,000 combined single limit of liability.

Settled claims have not exceeded this commercial coverage in any of the past five years. There have been no significant reductions in insurance coverage from last year.

B. Workers' Compensation

For fiscal year 2000, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), a group insurance purchasing pool (Note 17). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

C. Employee Medical and Life Benefits

Medical/surgical, dental, life, and vision insurance is offered to employees through a self-insurance internal service fund. The School District is a member of a claims servicing pool in which monthly premiums are paid to the fiscal agent who in turn pays the claims on the School District's behalf. The claims liability of \$87,266 reported in the internal service fund at June 30, 2000, is based on an estimate due to the application of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by the increased claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims activity for the fiscal year is as follows:

	<u>Balance at Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
1999	\$79,194	\$691,062	\$674,082	\$96,174
2000	\$96,174	767,260	776,168	\$87,266

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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
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Note 10 - Defined Benefit Pension Plans

A. State Teachers Retirement System

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371.

For the fiscal year ended June 30, 2000, plan members are required to contribute 9.3 percent of their annual covered salaries. The School District is required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998, were \$202,770, \$192,294 and \$323,768, respectively; 85.1 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$30,149 represents the unpaid contribution for fiscal year 2000, and is recorded as a liability within the respective funds.

B. School Employees Retirement System

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple-employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to members and beneficiaries. Authority to establish and amend benefits is provided by State statute per Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 North Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2000, 5.5 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998, were \$48,279, \$64,767 and \$75,544, respectively; 44.8 percent has been contributed for fiscal year 2000 and 100 percent for the fiscal years 1999 and 1998. \$26,684 representing the unpaid contribution for fiscal year 2000, is recorded as a liability within the respective funds and the general long-term obligations account group.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2000, there are no employees who have elected Social Security.

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Note 11 - Postemployment Benefits

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs, and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are funded on a pay-as-you-go basis.

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The State Teachers Retirement Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By Ohio Law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2000, the STRS Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$270,360 during the 2000 fiscal year.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 1999, (the latest information available), the balance in the Fund was \$2,783 million. For the year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000 and STRS had 95,796 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2000, employer contributions to fund health care benefits were 8.5 percent of covered payroll. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2000, the minimum pay has been established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2000 fiscal year equaled \$94,107.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 1999, (the latest information available), were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999, SERS had net assets available for payment of health care benefits of \$188.0 million. SERS has approximately 51,000 participants currently receiving health care benefits.

Note 12 - Other Employee Benefits

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn ten to twenty-five days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators who are not on a twelve month contract do not earn vacation time. Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to the number of annual work days per contract plus ninety, not to exceed 240 days. Upon retirement, payment is made for one-fourth of the total sick leave accumulation, up to a maximum payment of 50 days for classified employees and 50 days for teachers and administrators. For all days remaining beyond the maximum, classified employees are paid \$12 per day while teachers and administrators are paid at the rate of one day for every ten unused sick leave days at the regular rate of pay.

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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
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Note 13 - Long-Term Obligations

Changes in long-term obligations of the School District during fiscal year 2000, were as follows:

	Restated Principal Outstanding <u>6/30/99</u>	<u>Additions</u>	<u>Deductions</u>	Principal Outstanding <u>6/30/00</u>
1989 General Obligation Bonds - 6.5%	\$395,000	\$0	\$190,000	\$205,000
1993 Energy Conservation Loan - 5.95%	195,000	0	45,000	150,000
Compensated Absences	438,677	59,473	99,770	398,380
Intergovernmental Payable	62,818	55,244	62,818	55,244
Capital Leases Payable	7,526	0	4,220	3,306
Tax Refund Payable	<u>454,732</u>	<u>0</u>	<u>153,085</u>	<u>301,647</u>
Total General Long-Term Obligations	<u>\$1,553,753</u>	<u>\$114,717</u>	<u>\$554,893</u>	<u>\$1,113,577</u>

The general obligation bonds and the energy conservation loan were originally issued in the amounts of \$1,500,000 and \$433,249, respectively. The general obligation bonds were issued for the purpose of constructing, equipping, and remodeling the School District's elementary school. The energy conservation loan was issued for the purpose of installing energy conservation measures throughout the School District. The general obligation bonds and the energy conservation loan will be paid from the Debt Service Fund.

Compensated absences will be paid from the fund from which the employees' salaries are paid. The intergovernmental payable represents contractually required pension contributions paid outside the available period and will be paid from the fund from which the employees salaries' are paid. The capital leases payable are for the purchase of three risographs and will be paid from the General Fund.

The tax refund is a long-term obligation for a repayment of taxes to Texas Eastern Transmission Corporation, a public utility company, for tax years 1991 through 1996. The repayment of taxes will be deducted over ten tax settlements by the Noble and Monroe County Auditors.

The School District received \$1,750,000 in monies from the Ohio School Facilities Commission for the construction of an elementary school. Initially, repayment of the Ohio School Facilities Commission funds was to be made over a twenty-three year period from a half-mill levy. During 1998, the School District passed the necessary board resolution which enables the School District to retain the half-mill levy for the maintenance of the School District's buildings due to the District's assessed values being below the statewide median. As a result of the approval from the Ohio School Facilities Commission, the School District has no obligation to repay the School Facilities loan, as long as, the District's assessed values remain below the median. Due to the District's current ranking of 132 and the median being 306, the likelihood of future repayment requirements are remote. However, in any year in which the School District's assessed values rise above the median, half of the levy proceeds would be paid to the State to retire the loan. Any unpaid balance at the end of twenty-three years will be forgiven.

Principal and interest requirements to retire general obligation bonds, the energy conservation loan, and the tax refund outstanding at June 30, 2000, are as follows:

**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

Fiscal Year Ending June 30,	Principal	Interest	Total
2001	\$402,298	\$16,001	\$418,299
2002	199,349	6,454	205,803
2003	55,000	3,273	58,273
Total	<u>\$656,647</u>	<u>\$25,728</u>	<u>\$682,375</u>

The School District's overall legal debt margin was \$7,001,197 with an unvoted debt margin of \$77,791 at June 30, 2000.

Note 14 - Capital Leases - Lessee Disclosure

The School District has entered into capitalized leases for office equipment. Each lease meets the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures on the budgetary statements.

General fixed assets consisting of risographs have been capitalized in the general fixed assets account group in the amount of \$12,512. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group. Principal payments in fiscal year 2000 totaled \$4,220 in the governmental funds

The following is a schedule of the future long-term minimum lease payments required under the capital leases and the present value of the minimum lease payments as of June 30, 2000

Fiscal Year Ending June 30,	GLTOAG
2001	\$3,375
Less: Amount Representing Interest	(69)
Present Value of Net Minimum Lease Payments	<u>\$3,306</u>

Note 15 - Interfund Activity

As of June 30, 2000, there was a due to/due from other funds in the amount of \$13,481. This amount was owed to the General Fund from the Athletic and Music, Ohio READS Grant, and Data Communications Special Revenue Funds in the amounts of \$1,096, \$9,961, and \$2,424, respectively. Also, the General Fund had an interfund receivable from the Self-Insurance Internal Service Fund in the amount of \$30,163 resulting from a negative cash advance.

**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

Note 16 - Segment Information for Enterprise Funds

The School District maintains two enterprise funds to account for the operations of food service and uniform school supplies. The table below reflects in a summarized format the more significant financial data relating to the enterprise funds of the School District as of and for the fiscal year ended June 30, 2000.

	<u>Food Service</u>	<u>Uniform School Supplies</u>	<u>Total</u>
Operating Revenues	\$221,448	\$2,390	\$223,838
Depreciation Expense	8,705	0	8,705
Operating Income (Loss)	(150,721)	16	(150,705)
Donated Commodities	24,385	0	24,385
Operating Grants	92,718	0	92,718
Interest Income	627	0	627
Net Income (Loss)	(32,991)	16	(32,975)
Fixed Asset Additions	1,726	0	1,726
Current Capital Contributions	1,726	0	1,726
Net Working Capital	(9,770)	233	(9,537)
Total Assets	94,881	233	95,114
Long-Term Liabilities Paid from Fund Revenues	26,544	0	26,544
Total Equity	28,942	233	29,175
Encumbrances at June 30, 2000	197	0	197

Note 17 - Jointly Governed Organizations and Public Entity Risk Pools

A. Jointly Governed Organizations

The Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA) was created as a regional council of governments pursuant to State statutes. OME-RESA has 11 participating counties consisting of Belmont, Carroll, Columbiana, Coshocton, Guernsey, Harrison, Holmes, Jefferson, Muskingum, Noble, and Tuscarawas Counties. OME-RESA provides financial accounting services, educational management information, and cooperative purchasing services to member districts. OME-RESA is governed by a governing board which is selected by the member districts. OME-RESA possesses its own budgeting authority. To obtain financial information write to the Ohio Mid-Eastern Regional Educational Service Agency, Treasurer, at 2023 Sunset Blvd., Steubenville, Ohio 43952.

**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

The Mid-East Ohio Joint Vocational School District is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the 13 participating school districts' elected boards. The Board possesses its own budgeting and taxing authority. The Board controls the financial activity of the Joint Vocational School District. To obtain financial information write to the Mid-East Ohio Vocational School District, Cindy Nye, Treasurer, at 1965 Chandlersville Road, Zanesville, Ohio 45701.

B. Public Entity Risk Pools

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

The School District participates in the Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA) Self-Insurance Plan, a claims servicing pool comprised of fifty members. Each participant is a member of the assembly. The Plan's business and affairs are conducted by a nine member Board of Director's elected from the OME-RESA's assembly. Each member pays a monthly premium based on their claims history and a monthly administration fee. All participating members retain their risk and the Plan acts as the claims servicing agent.

Note 18 - State School Funding Decision

On March 24, 1997, the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 2000, the School District received \$4,153,850 of school foundation support for its general fund.

In addition, the Court declared the classroom facilities program unconstitutional, because, in the Court's opinion, the program had not been sufficiently funded by the State. The classroom facilities program provided money to build schools and furnish classrooms. As of June 30, 2000, the School District had received a total of \$1,750,000 under this program.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State General Assembly in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State has appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "...the mandate of the (Ohio) Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision, however, it found seven "...major areas warrant further attention, study, and development by the General Assembly ...", including the State's reliance on local property tax funding, the state's basic aid formula, the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program.

The Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001.

**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

As of the date of these financial statements, the School District is unable to determine what effect, if any, this ongoing litigation will have on its future State funding under these programs and on its financial statements.

Note 19 - Set-Aside Calculations and Fund Reserves

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

The following cash basis information describes the change in the year end set-aside amounts for textbooks, capital acquisitions, and budget stabilization. Disclosure of this information is required by State statute.

	Textbooks/ Instructional Materials Reserve	Capital Improvements Reserve	Budget Stabilization Reserve
Set-aside Cash Balance as of June 30, 1999	\$0	\$0	\$79,251
Current Year Set-aside Requirement	136,450	136,450	0
Current Year Offsets	0	0	0
Qualifying Disbursements	(173,113)	(199,918)	0
Total	<u><u>(\$36,663)</u></u>	<u><u>(\$63,468)</u></u>	<u><u>\$79,251</u></u>
Set-aside Cash Balance Cash Carried Forward to Future Fiscal Years	<u><u>(\$36,663)</u></u>	<u><u>\$0</u></u>	<u><u>\$79,251</u></u>
Set-aside Reserve Balance as of June 30, 2000	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$79,251</u></u>

The School District had qualifying disbursements during the fiscal year that reduced the textbook set-aside amount below zero. This extra amount may be used to reduce the set-aside requirement in future fiscal years. The total reserve balance for the three set-asides at the end of the fiscal year was \$79,251.

Note 20 - Contingencies

A. Grants

The School District received financial assistance from federal and State agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and 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 School District at June 30, 2000.

NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY

NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

B. Litigation

The School District is party to legal proceedings. The School District's management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the School District.

Note 21 - Subsequent Event

Recent legislation eliminates any requirement to repay the money received from the Ohio School Facilities program.

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**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2000**

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Receipts	Noncash Receipts	Disbursements	Noncash Disbursements
<u>U.S. Department of Agriculture</u>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program		10.550	\$	\$21,514	\$	\$24,385
National School Lunch Program	48900-03-PU-99/00	10.555	92,568		92,568	
Total Nutrition Cluster			92,568	21,514	92,568	24,385
Total U.S. Department of Agriculture			92,568	21,514	92,568	24,385
<u>U.S. Department of Labor</u>						
<i>Passed Through Ohio Department of Education:</i>						
Employment Services and Job Training Pilot (School to Work Grant)	48900-WK-BE-98	17.249			4,456	
Total U.S. Department of Labor			0	0	4,456	0
<u>U.S. Department of Education</u>						
<i>Passed Through Ohio Department of Education:</i>						
Educationally Deprived Children - Local Educational Agencies Title I	48900-C1-S1-99	84.010	25,911		52,701	
	48900-C1-S1-99C	84.010	5,448		5,448	
	48900-C1-S1-00	84.010	288,886		229,592	
Total Title I			320,245	0	287,741	0
Education of the Handicapped	48900-6B-SF-99	84.027	6,172		10,627	
	48900-6B-SF-99	84.027	69,269		63,373	
Total Education of the Handicapped			75,441	0	74,000	0
Drug Free Schools and Communities Grant	48900-DR-S1-99	84.186			2,353	
	48900-DR-S1-00	84.186	5,570		5,570	
Total Drug Free Schools and Communities Grant			5,570	0	7,923	0
Eisenhower Professional Development State Grant	48900-MS-S1-99	84.281			4,486	
	48900-MS-S1-00	84.281	8,281		7,715	
Total Eisenhower Professional Development Grant			8,281	0	12,201	0
Innovative Programs, IASA Title VI	48900-C2-S1-99	84.298			3,327	
	48900-C2-S1-99C	84.298	847		681	
	48900-C2-S1-00	84.298	6,364		5,276	
Total Title VI			7,211	0	9,284	0
Reducing Class Size Title VI - R	48900-CR-S1-00	84.340	41,694		36,204	
Total U.S. Department of Education			458,442	0	427,353	0
Total Federal Awards Receipts and Expenditures			\$551,010	\$21,514	\$524,377	\$24,385

The notes to the Schedule of Federal Awards Receipts and Expenditures are an integral part of this Schedule.

**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) summarizes the activity of the School District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2000, the School District had no significant food commodities in inventory.



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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Noble Local School District
Noble County
20977 SR 146
Sarahsville, Ohio 43779

To the Board of Education:

We have audited the financial statements of the Noble Local School District, Noble County, Ohio (the School District), as of and for the year ended June 30, 2000, and have issued our report thereon dated November 29, 2000. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the School District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. 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 that are required to be reported under *Government Auditing Standards*. However, we noted a certain immaterial instance of noncompliance that we have reported to the management of the School District in a separate letter dated November 29, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the School District in a separate letter dated November 29, 2000.

Noble Local School District
Noble County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of the management, the Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

November 29, 2000



STATE OF OHIO
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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE WITH
REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

Noble Local School District
Noble County
20977 SR 146
Sarahsville, Ohio 43779

To the Board of Education:

Compliance

We have audited the compliance of the Noble Local School District, Noble County, Ohio (the School District), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2000. The School District's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School District's compliance with those requirements.

In our opinion, the School District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2000.

Internal Control Over Compliance

The management of the School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended for the information and use of the management, the Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

November 29, 2000

**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unqualified
(d)(1)(ii)	Were there any material control weakness conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any other reportable conditions reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material internal control weakness conditions reported for major federal programs?	No
(d)(1)(iv)	Were there any other reportable internal control weakness conditions reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unqualified
(d)(1)(vi)	Are there any reportable findings under §.510?	No
(d)(1)(vii)	Major Programs (list):	Grants to Local Educational Agencies (ESEA Title I), CFDA #84.010
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
FOR THE FISCAL YEAR ENDED JUNE 30, 2000
(Continued)**

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

The audit of Noble Local School District, Noble County, for the year ending June 30, 2000 contained no findings related to the financial statements required to be reported in accordance with GAGAS.

3. FINDINGS FOR FEDERAL AWARDS

The audit of Noble Local School District, Noble County, for the year ending June 30, 2000 contained no findings for federal awards.



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NOBLE LOCAL SCHOOL DISTRICT

NOBLE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 11, 2001**