



OHIO AUDITOR OF STATE
KEITH FABER



**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY
JUNE 30, 2021**

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NOBLE COUNTY
JUNE 30, 2021**

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INDEPENDENT AUDITOR'S REPORT

Trenda Heddleson, Treasurer
Noble Local School District
20977 Zep Road East
Sarahsville, Ohio 43779

To the Board of Education:

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Noble Local School District, Noble County, Ohio (the School District), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes designing, implementing, and maintaining internal control relevant to preparing and fairly presenting financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the School District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the School District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the School District, as of June 30, 2021, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note 25 to the financial statements, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the School District. We did not modify our opinion regarding this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require this presentation to include *Management's Discussion and Analysis*, and Schedules of Net Pension and Other Post-employment Benefit Liabilities and Pension and Other Post-employment Benefit Contributions listed in the Table of Contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, consisting of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, to the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not opine or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to opine or provide any other assurance.

Supplementary and Other Information

Our audit was conducted to opine on the School District's basic financial statements taken as a whole.

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

The Schedule is management's responsibility, and derives from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. We subjected this information to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 15, 2022, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

June 15, 2022

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Noble Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
Unaudited

The discussion and analysis of the Noble Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2021. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for the fiscal year 2021 are as follows:

- Total net position of the School District increased \$9,392,370.
- General revenues accounted for \$24,283,855 in revenue or 87 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants, contributions, and interest accounted for \$3,638,925 or 13 percent of total revenues of \$27,922,780.
- The School District had \$18,530,410 in expenses related to governmental activities; only \$3,638,925 of these expenses were offset by program specific charges for services and sales, grants, contributions, and interest. General revenues of \$24,283,855 were adequate to provide for these programs.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand the Noble Local School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions.

The Statement of Net Position and Statement of Activities provide information about the activities of the whole School District, presenting both an aggregate view of the School District's finances and a longer-term view of those finances. Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. The fund financial statements also look at the School District's most significant funds with all other non-major funds presented in total in one column.

Reporting the School District as a Whole

Statement of Net Position and Statement of Activities

While this document contains information about the large number of funds used by the School District to provide programs and activities for students, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2021?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies.

Noble Local School District, Ohio
Management's Discussion and Analysis
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This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid. These two statements report the School District's net position and changes in net position. This change in net position is important because it tells the reader that, for the School District as a whole, the financial position of the School District has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the School District's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required educational programs, and other factors.

In the Statement of Net Position and the Statement of Activities, all of the School District's programs and services are reported as Governmental Activities including instruction, support services, operation of non-instructional services, extracurricular activities, and interest and fiscal charges.

Reporting the School District's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The analysis of the School District's major funds begins on page 10. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multiple of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund and the Permanent Improvement Capital Projects Fund.

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

Proprietary Funds Proprietary funds use the same basis of accounting as business-type activities; therefore, these statements will essentially match. The School District's only fund of this type is the Self-Insurance Internal Service Fund. However, the activity of this fund is combined with the Governmental Activities on the entity wide financial statements.

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

Noble Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
 Unaudited

Reporting the School District's Fiduciary Responsibilities

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

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for 2021 compared to 2020.

Table 1 - Net Position

	2021	2020	Change
Assets			
Current and Other Assets	\$46,412,488	\$39,980,644	\$6,431,844
Capital Assets, Net	21,704,806	18,519,309	3,185,497
<i>Total Assets</i>	<u>68,117,294</u>	<u>58,499,953</u>	<u>9,617,341</u>
Deferred Outflows of Resources			
Pension	2,662,115	2,432,147	229,968
OPEB	434,719	291,196	143,523
<i>Total Deferred Outflows of Resources</i>	<u>3,096,834</u>	<u>2,723,343</u>	<u>373,491</u>
Liabilities			
Current and Other Liabilities	2,638,554	2,953,047	(314,493)
Long-term Liabilities:			
Due within One Year	119,590	129,206	(9,616)
Due in More Than One Year:			
Net Pension Liability	13,074,384	11,587,291	1,487,093
Net OPEB Liability	1,023,515	1,128,839	(105,324)
Other Amounts	1,020,923	804,273	216,650
<i>Total Liabilities</i>	<u>17,876,966</u>	<u>16,602,656</u>	<u>1,274,310</u>
Deferred Inflows of Resources			
Property Taxes	12,476,354	12,818,890	(342,536)
Pension	65,555	654,239	(588,684)
OPEB	1,388,126	1,132,754	255,372
<i>Total Deferred Inflows of Resources</i>	<u>13,930,035</u>	<u>14,605,883</u>	<u>(675,848)</u>
Net Position			
Net Investment in Capital Assets	21,082,200	17,149,053	3,933,147
Restricted	213,988	179,155	34,833
Unrestricted	18,110,939	12,686,549	5,424,390
<i>Total Net Position</i>	<u>\$39,407,127</u>	<u>\$30,014,757</u>	<u>\$9,392,370</u>

Noble Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
Unaudited

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2021. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” - that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Total assets of governmental activities increased \$9,617,341. Current and other assets increased \$6,431,844. Cash and cash equivalents increased in the amount of \$6,118,005 due to increased property tax collections and an increase in the amount held with the School District's self-insurance fund fiscal agent. Property taxes receivable increased by \$472,415 due to increased valuations on new public utility construction within the taxing district. These increases are offset by a decrease in intergovernmental receivables of \$177,324. This decrease is reflective of the timing of the receipt of state and federal funding. Capital assets increased \$3,185,497 due to the School District's ongoing construction projects. The School District continues to capitalize assets at a faster pace than current year depreciation.

Total liabilities increased \$1,274,310. The increase in the net pension liability and the decrease in the net OPEB liability represents the School District's share of the SERS and STRS unfunded benefits. As indicated previously, changes in pension/OPEB benefits, contribution rates, and return on investments affect the balance of these liabilities. Sick leave benefits payable increased by \$269,967. This increase results from no retirements during the fiscal year, increased employee daily rates, and decreased sick leave usages as employees worked from home during the COVID-19 pandemic. Current and other liabilities decreased by \$314,493. Decreases in contracts and retainage payables of \$446,086 and \$247,281, respectively, were realized as the completion of Phase II and portions of Phase III's construction projects were placed into service. Offsetting these decreases is an increase in claims payable in the amount of \$271,800.

Table 2 shows the changes in net position for the fiscal year ended June 30, 2021, and comparisons to fiscal year 2020.

Noble Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
 Unaudited

Table 2
 Changes in Net Position

	2021	2020	Change
Revenues			
Program Revenues			
Charges for Services and Sales	\$1,788,858	\$1,717,846	\$71,012
Operating Grants, Contributions, and Interest	1,845,732	1,125,570	720,162
Capital Grants, Contributions, and Interest	4,335	171,365	(167,030)
Total Program Revenues	<u>3,638,925</u>	<u>3,014,781</u>	<u>624,144</u>
General Revenues			
Property Taxes	18,432,780	17,209,518	1,223,262
Payments in Lieu of Taxes	18,448	0	18,448
Grants and Entitlements	5,528,060	5,425,557	102,503
Investment Earnings	108,841	180,731	(71,890)
Miscellaneous	195,726	109,233	86,493
Total General Revenues	<u>24,283,855</u>	<u>22,925,039</u>	<u>1,358,816</u>
Total Revenues	<u>27,922,780</u>	<u>25,939,820</u>	<u>1,982,960</u>
Program Expenses			
Instruction			
Regular	7,110,159	6,723,489	386,670
Special	1,959,486	1,846,044	113,442
Vocational	773,533	507,815	265,718
Student Intervention	15,785	0	15,785
Support Services			
Pupils	959,076	808,697	150,379
Instructional Staff	318,520	426,009	(107,489)
Board of Education	79,389	61,347	18,042
Administration	1,400,723	1,480,413	(79,690)
Fiscal	882,273	819,587	62,686
Business	19,050	18,650	400
Operation and Maintenance of Plant	2,223,135	1,554,835	668,300
Pupil Transportation	1,254,624	1,252,757	1,867
Central	125,570	59,089	66,481
Operation of Non-Instructional Services			
Food Service Operations	661,199	696,951	(35,752)
Other Non-Instructional Services	273,647	13	273,634
Extracurricular Activities	472,885	453,918	18,967
Interest	1,356	6,384	(5,028)
Total Expenses	<u>18,530,410</u>	<u>16,715,998</u>	<u>1,814,412</u>
Change in Net Position	9,392,370	9,223,822	168,548
Net Position Beginning of Year	<u>30,014,757</u>	<u>20,790,935</u>	<u>9,223,822</u>
Net Position End of Year	<u>\$39,407,127</u>	<u>\$30,014,757</u>	<u>\$9,392,370</u>

Noble Local School District, Ohio
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Total revenues increased \$1,982,960. Program revenues increased \$624,144 from fiscal year 2020 to fiscal year 2021. Operating grants, contributions, and interest increased by \$720,162 as the School District participated in the Elementary and Secondary School Emergency Relief and also the Coronavirus Relief federal funding available to most school districts as a result of the COVID-19 pandemic. General revenues increased \$1,358,816 primarily due to an increase in property taxes as a result of increased valuation on new public utility construction within the taxing district.

The DeRolph III decision has not eliminated the dependence on property taxes. The unique nature of property taxes in Ohio creates the need to routinely seek voter approval for operating funds. Inflation alone will not increase the amount of funds generated by a tax levy. The mills collected decreases as the property valuation increases, thus generating about the same revenue unless new construction or growth are a factor. Property taxes made up approximately 76 percent of general revenues for governmental activities for the School District in fiscal year 2021.

The largest changes in program expenses can be seen in operation and maintenance of plant with an increase of \$668,300, and regular instruction with an increase of \$386,670. With a significant reclass of construction in progress into buildings and improvements for the past couple of years, depreciation expense has increased. In addition, the School District's prominent operating program, regular instruction, increased as salary and other related benefits increased from the prior year.

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

Noble Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
 Unaudited

Table 3 - Cost of Services

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2021	2021	2020	2020
Program Expenses				
Instruction:				
Regular	\$7,110,159	\$5,614,246	\$6,723,489	\$5,465,853
Special	1,959,486	1,414,530	1,846,044	1,379,109
Vocational	773,533	725,518	507,815	481,734
Intervention	15,785	(1,617)	0	0
Support Services:				
Pupils	959,076	827,773	808,697	765,211
Instructional Staff	318,520	192,823	426,009	303,481
Board of Education	79,389	51,963	61,347	42,205
Administration	1,400,723	1,271,569	1,480,413	1,357,524
Fiscal	882,273	875,273	819,587	819,587
Business	19,050	19,050	18,650	18,650
Operation and Maintenance of Plant	2,223,135	2,136,712	1,554,835	1,554,795
Pupil Transportation	1,254,624	1,178,238	1,252,757	1,242,432
Central	125,570	77,462	59,089	57,635
Operation of Non-Instructional Services:				
Food Service Operations	661,199	154,749	696,951	148,450
Other Non-Instructional Services	273,647	(16,319)	13	(171,352)
Extracurricular Activities	472,885	368,159	453,918	229,519
Interest and Fiscal Charges	1,356	1,356	6,384	6,384
Total	<u>\$18,530,410</u>	<u>\$14,891,485</u>	<u>\$16,715,998</u>	<u>\$13,701,217</u>

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

The School District Funds

The School District's governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues of \$28,164,842 and expenditures of \$21,330,930. The School District continued to focus its efforts to monitor expenditures, with modest increases in supply and purchased services budgets, as well as maintaining current personnel staffing levels. The General Fund increased its fund balance by \$6,939,119 while making \$4,075,000 of transfers out to the Permanent Improvement Capital Projects Fund and other governmental funds. The Permanent Improvement Capital Projects Fund had a minimal change in fund balance as it continues to spend the transfers that it receives from the General Fund each year on the ongoing construction project.

Noble Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
 Unaudited

General Fund Budgeting Highlights

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

During the course of fiscal year 2021, the School District amended its General Fund budget. The School District uses a modified site-based budgeting technique which is designed to tightly control total site budgets but provide flexibility for site management.

For the General Fund, budget basis revenue was \$25,393,857. Original estimated revenues were increased \$1,106,515 when the School District realized that property taxes, intergovernmental, and tuition and fees revenue were being collected at a higher amount than originally anticipated. Actual revenues were \$197,517 above final budget estimated revenues of \$25,196,340. Actual expenditures of \$15,308,137 were \$35,784 below the final expenditure estimates of \$15,343,921. Original appropriations were decreased \$135,856.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2021, the School District had \$21,704,806 invested in capital assets. See Note 10 for more detailed information. Table 4 shows fiscal year 2021 balances compared to 2020.

Table 4
 Capital Assets
 (Net of Depreciation)

	2021	2020
Land	\$664,213	\$544,859
Construction in Progress	1,303,305	1,771,168
Land Improvements	1,042,321	1,385,096
Buildings and Improvements	15,003,719	12,736,151
Furniture and Equipment	2,873,177	1,317,835
Vehicles	818,071	764,200
Totals	\$21,704,806	\$18,519,309

Debt

During fiscal year 2021, the School District had the following changes in long-term debt obligations:

	2021	2020
2012 Energy Conservation Improvement Bonds:		
Term Bonds - 1.00% - 2.70%	\$50,000	\$100,000
Premium on Bonds	690	2,345
Total Bonds	50,690	102,345
Capital Leases Payable	25,408	36,686
Totals	\$76,098	\$139,031

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Management's Discussion and Analysis
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Unaudited

See Notes 16 and 17 to the basic financial statements for more information on debt.

Current Issues

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

The School District's current five-year forecast projects favorable conditions resulting in revenue surplus each year with the exception of 2026 and positive cash balances improving each year (averaging around \$26 million). The five-year forecast assumes implementation of the Fair School Funding Plan (FSFP) adopted by Ohio starting in fiscal year 2022, increased expenditures in payroll and benefits, increased expenditures for expansion of the preschool, career technology, and special education programs, decreased public utility personal property valuations due to normal depreciation and valuation appeals, and continued transfers to the Permanent Improvement Capital Projects Fund.

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

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

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

Noble Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2021
Unaudited

Contacting the School District's Financial Management

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

Noble Local School District, Ohio

Statement of Net Position

June 30, 2021

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$23,189,461
Cash and Cash Equivalents with Fiscal Agent	3,055,131
Inventory Held for Resale	6,222
Materials and Supplies Inventory	23,442
Intergovernmental Receivable	378,204
Prepaid Items	80,532
Accounts Receivable	33,082
Property Taxes Receivable	18,913,773
Net OPEB Asset	732,641
Nondepreciable Capital Assets	1,967,518
Depreciable Capital Assets, Net	<u>19,737,288</u>
<i>Total Assets</i>	<u>68,117,294</u>
Deferred Outflows of Resources	
Pension	2,662,115
OPEB	<u>434,719</u>
<i>Total Deferred Outflows of Resources</i>	<u>3,096,834</u>
Liabilities	
Accounts Payable	73,150
Accrued Wages and Benefits Payable	1,206,924
Contracts Payable	455,855
Retainage Payable	84,348
Unearned Revenue	3,985
Intergovernmental Payable	306,528
Accrued Interest Payable	80
Vacation Benefits Payable	91,784
Claims Payable	415,900
Long-Term Liabilities:	
Due Within One Year	119,590
Due In More Than One Year:	
Net Pension Liability	13,074,384
Net OPEB Liability	1,023,515
Other Amounts	<u>1,020,923</u>
<i>Total Liabilities</i>	<u>17,876,966</u>
Deferred Inflows of Resources	
Property Taxes	12,476,354
Pension	65,555
OPEB	<u>1,388,126</u>
<i>Total Deferred Inflows of Resources</i>	<u>13,930,035</u>
Net Position	
Net Investment in Capital Assets	21,082,200
Restricted for:	
Unclaimed Monies	301
State Programs	73,238
Federal Programs	47,588
Student Activities	91,333
Scholarships	1,528
Unrestricted	<u>18,110,939</u>
<i>Total Net Position</i>	<u><u>\$39,407,127</u></u>

See accompanying notes to the basic financial statements

Noble Local School District, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2021

	Expenses	Program Revenues		Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants, Contributions and Interest		Governmental Activities
Governmental Activities					
Instruction:					
Regular	\$7,110,159	\$1,342,597	\$153,316	\$0	(\$5,614,246)
Special	1,959,486	246,395	298,561	0	(1,414,530)
Vocational	773,533	4,505	43,510	0	(725,518)
Intervention	15,785	0	17,402	0	1,617
Support Services:					
Pupils	959,076	0	131,303	0	(827,773)
Instructional Staff	318,520	0	125,697	0	(192,823)
Board of Education	79,389	0	27,426	0	(51,963)
Administration	1,400,723	0	129,154	0	(1,271,569)
Fiscal	882,273	3,500	3,500	0	(875,273)
Business	19,050	0	0	0	(19,050)
Operation and Maintenance of Plant	2,223,135	40	86,383	0	(2,136,712)
Pupil Transportation	1,254,624	62,019	10,032	4,335	(1,178,238)
Central	125,570	0	48,108	0	(77,462)
Operation of Non-Instructional Services:					
Food Service Operations	661,199	50,250	456,200	0	(154,749)
Other Non-Instructional Services	273,647	0	289,966	0	16,319
Extracurricular Activities	472,885	79,552	25,174	0	(368,159)
Interest and Fiscal Charges	1,356	0	0	0	(1,356)
Totals	\$18,530,410	\$1,788,858	\$1,845,732	\$4,335	(14,891,485)
General Revenues					
Property Taxes Levied for General Purposes					18,432,780
Payments in Lieu of Taxes					18,448
Grants and Entitlements not Restricted to Specific Programs					5,528,060
Investment Earnings					108,841
Miscellaneous					195,726
<i>Total General Revenues</i>					<u>24,283,855</u>
<i>Change in Net Position</i>					9,392,370
<i>Net Position Beginning of Year</i>					<u>30,014,757</u>
<i>Net Position End of Year</i>					<u><u>\$39,407,127</u></u>

See accompanying notes to the basic financial statements

Noble Local School District, Ohio

*Balance Sheet
Governmental Funds
June 30, 2021*

	<u>General</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets				
Equity in Pooled Cash and Cash Equivalents	\$18,065,894	\$4,842,157	\$196,761	\$23,104,812
Receivables:				
Property Taxes	18,913,773	0	0	18,913,773
Accounts	33,082	0	0	33,082
Intergovernmental	23,031	0	355,173	378,204
Interfund	379,017	0	0	379,017
Prepaid Items	80,166	0	366	80,532
Inventory Held for Resale	0	0	6,222	6,222
Materials and Supplies Inventory	21,704	0	1,738	23,442
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	301	84,348	0	84,649
<i>Total Assets</i>	<u>\$37,516,968</u>	<u>\$4,926,505</u>	<u>\$560,260</u>	<u>\$43,003,733</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts Payable	\$57,503	\$6,995	\$8,652	\$73,150
Contracts Payable	0	455,855	0	455,855
Accrued Wages and Benefits Payable	1,158,772	0	48,152	1,206,924
Retainage Payable	0	84,348	0	84,348
Interfund Payable	0	0	379,017	379,017
Intergovernmental Payable	286,494	0	20,034	306,528
Unearned Revenue	3,985	0	0	3,985
<i>Total Liabilities</i>	<u>1,506,754</u>	<u>547,198</u>	<u>455,855</u>	<u>2,509,807</u>
Deferred Inflows of Resources				
Property Taxes	12,476,354	0	0	12,476,354
Unavailable Revenue	756,090	0	354,576	1,110,666
<i>Total Deferred Inflows of Resources</i>	<u>13,232,444</u>	<u>0</u>	<u>354,576</u>	<u>13,587,020</u>
Fund Balances				
Nonspendable	102,171	0	2,104	104,275
Restricted	0	0	157,799	157,799
Committed	300,000	1,150,045	0	1,450,045
Assigned	141,435	3,229,262	0	3,370,697
Unassigned (Deficit)	22,234,164	0	(410,074)	21,824,090
<i>Total Fund Balances (Deficit)</i>	<u>22,777,770</u>	<u>4,379,307</u>	<u>(250,171)</u>	<u>26,906,906</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$37,516,968</u>	<u>\$4,926,505</u>	<u>\$560,260</u>	<u>\$43,003,733</u>

See accompanying notes to the basic financial statements

Noble Local School District, Ohio
*Reconciliation of Total Governmental Fund Balances to
 Net Position of Governmental Activities
 June 30, 2021*

Total Governmental Fund Balances \$26,906,906

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 21,704,806

Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the funds:

Delinquent Property Taxes	721,602	
Intergovernmental Revenues	354,567	
Tuition and Fees	34,052	
Miscellaneous	445	1,110,666

An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal fund are included in governmental activities in the statement of net position. 2,639,231

Interest Payable is accrued for outstanding long-term liabilities while interest is not reported until due on the balance sheet. (80)

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

Net OPEB Asset	732,641	
Deferred Outflows - Pension	2,662,115	
Deferred Inflows - Pension	(65,555)	
Net Pension Liability	(13,074,384)	
Deferred Outflows - OPEB	434,719	
Deferred Inflows - OPEB	(1,388,126)	
Net OPEB Liability	(1,023,515)	(11,722,105)

Vacation Benefits Payable is recognized for earned vacation benefits that are to be used within one year but is not recognized on the balance sheet until due. (91,784)

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

Capital Lease Payable	(25,408)	
Bonds Payable	(50,000)	
Premium on Bonds Payable	(690)	
Sick Leave Benefits Payable	(1,064,415)	(1,140,513)

Net Position of Governmental Activities \$39,407,127

See accompanying notes to the basic financial statements

Noble Local School District, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2021

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$18,480,623	\$0	\$0	\$18,480,623
Intergovernmental	5,716,729	0	1,723,625	7,440,354
Investment Earnings	95,196	0	60	95,256
Charges for Services	3,500	0	50,250	53,750
Tuition and Fees	1,652,882	0	0	1,652,882
Extracurricular Activities	9,033	0	70,519	79,552
Rent	40	0	0	40
Gifts and Donations	47,927	0	56,443	104,370
Payments in Lieu of Taxes	18,448	0	0	18,448
Miscellaneous	224,276	0	15,291	239,567
<i>Total Revenues</i>	<u>26,248,654</u>	<u>0</u>	<u>1,916,188</u>	<u>28,164,842</u>
Expenditures				
Current:				
Instruction:				
Regular	6,390,586	104,407	114,035	6,609,028
Special	1,571,845	0	275,022	1,846,867
Vocational	731,579	0	8,350	739,929
Student Intervention	2,979	0	12,806	15,785
Support Services:				
Pupils	822,462	0	60,239	882,701
Instructional Staff	312,600	0	110,230	422,830
Board of Education	71,759	0	12,500	84,259
Administration	1,166,951	7,658	121,913	1,296,522
Fiscal	860,302	0	3,500	863,802
Business	19,050	0	0	19,050
Operation and Maintenance of Plant	1,619,415	3,787,143	84,690	5,491,248
Pupil Transportation	1,300,940	0	8,350	1,309,290
Central	77,564	0	48,006	125,570
Operation of Non-Instructional Services:				
Food Service Operations	0	0	627,562	627,562
Other Non-Instructional Services	11,653	9,635	252,359	273,647
Extracurricular Activities	210,474	0	203,895	414,369
Capital Outlay	0	244,095	0	244,095
Debt Service:				
Principal Retirement	61,278	0	0	61,278
Interest and Fiscal Charges	3,098	0	0	3,098
<i>Total Expenditures</i>	<u>15,234,535</u>	<u>4,152,938</u>	<u>1,943,457</u>	<u>21,330,930</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>11,014,119</u>	<u>(4,152,938)</u>	<u>(27,269)</u>	<u>6,833,912</u>
Other Financing Source (Use)				
Transfers In	0	4,000,000	75,000	4,075,000
Transfers Out	(4,075,000)	0	0	(4,075,000)
<i>Total Other Financing Source (Use)</i>	<u>(4,075,000)</u>	<u>4,000,000</u>	<u>75,000</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	6,939,119	(152,938)	47,731	6,833,912
<i>Fund Balances (Deficit) Beginning of Year</i>	<u>15,838,651</u>	<u>4,532,245</u>	<u>(297,902)</u>	<u>20,072,994</u>
<i>Fund Balances (Deficit) End of Year</i>	<u>\$22,777,770</u>	<u>\$4,379,307</u>	<u>(\$250,171)</u>	<u>\$26,906,906</u>

See accompanying notes to the basic financial statements

Noble Local School District, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2021*

Net Change in Fund Balances - Total Governmental Funds		\$6,833,912
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, on the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation depreciation expense. This is the amount by which capital outlay exceeded depreciation:		
Capital Asset Additions	4,468,642	
Depreciation Expense	<u>(1,280,691)</u>	3,187,951
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on disposal of assets.		
		(2,454)
Revenues on the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Delinquent Property Taxes	(47,843)	
Grants	(120,944)	
Tuition and Fees	2,634	
Gifts and Donations	(45,713)	
Miscellaneous	<u>(43,841)</u>	(255,707)
Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position:		
Energy Conservation Bonds	50,000	
Capital Leases	<u>11,278</u>	61,278
Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of activities. Premiums are reported as revenues when the debt is first issued; however, these amounts are deferred and amortized on the statement of activities:		
Bond Premiums	1,655	
Interest Payable	<u>87</u>	1,742
Contractually required contributions are reported as expenditures in the governmental funds; however, the statement of net position reports these amounts as deferred outflows:		
Pension	986,986	
OPEB	<u>32,854</u>	1,019,840
Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.		
Pension	(1,655,427)	
OPEB	<u>21,297</u>	(1,634,130)
Some expenses reported on the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:		
Vacation Benefits Payable	(7,999)	
Sick Leave Benefits Payable	<u>(269,967)</u>	(277,966)
The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. The net change in net position of the internal service fund is reported with governmental activities.		
		<u>457,904</u>
<i>Change in Net Position of Governmental Activities</i>		<u><u>\$9,392,370</u></u>

See accompanying notes to the basic financial statements

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Noble Local School District, Ohio
*Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)*
General Fund
For the Fiscal Year Ended June 30, 2021

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Revenues				
Property Taxes	\$17,319,528	\$17,617,829	\$17,617,829	\$0
Intergovernmental	5,248,600	5,684,474	5,729,818	45,344
Investment Earnings	105,571	84,895	93,663	8,768
Charges for Services	0	3,500	3,500	0
Tuition and Fees	1,362,423	1,627,433	1,652,882	25,449
Extracurricular Activities	5,888	7,961	9,485	1,524
Rent	85	0	40	40
Gifts and Donations	600	2,458	46,830	44,372
Payments In Lieu of Taxes	0	18,448	18,448	0
Miscellaneous	47,130	149,342	221,362	72,020
<i>Total Revenues</i>	<u>24,089,825</u>	<u>25,196,340</u>	<u>25,393,857</u>	<u>197,517</u>
Expenditures				
Current:				
Instruction:				
Regular	6,318,905	6,390,994	6,386,001	4,993
Special	1,551,905	1,572,219	1,565,621	6,598
Vocational	797,675	790,287	778,343	11,944
Student Intervention	3,195	3,237	2,989	248
Support Services:				
Pupils	835,301	844,209	838,715	5,494
Instructional Staff	557,043	333,935	329,607	4,328
Board of Education	80,102	78,628	76,501	2,127
Administration	1,165,904	1,177,098	1,164,411	12,687
Fiscal	869,073	880,354	877,356	2,998
Business	18,952	19,200	19,050	150
Operation and Maintenance of Plant	1,655,174	1,624,290	1,617,244	7,046
Pupil Transportation	1,325,255	1,325,341	1,320,280	5,061
Central	80,263	81,314	78,641	2,673
Operation of Non-Instructional Services	11,776	11,930	11,800	130
Extracurricular Activities	157,754	159,385	190,078	(30,693)
Debt Service:				
Principal	50,000	50,000	50,000	0
Interest and Fiscal Charges	1,500	1,500	1,500	0
<i>Total Expenditures</i>	<u>15,479,777</u>	<u>15,343,921</u>	<u>15,308,137</u>	<u>35,784</u>
<i>Excess of Revenues Over Expenditures</i>	8,610,048	9,852,419	10,085,720	233,301
Other Financing Use				
Transfers Out	<u>(4,075,000)</u>	<u>(4,075,000)</u>	<u>(4,075,000)</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	4,535,048	5,777,419	6,010,720	233,301
<i>Fund Balance Beginning of Year</i>	11,535,693	11,535,693	11,535,693	0
Prior Year Encumbrances Appropriated	<u>333,446</u>	<u>333,446</u>	<u>333,446</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$16,404,187</u>	<u>\$17,646,558</u>	<u>\$17,879,859</u>	<u>\$233,301</u>

See accompanying notes to the basic financial statements

Noble Local School District, Ohio
Statement of Fund Net Position
Internal Service Fund
June 30, 2021

	<u>Medical, Dental, and Vision Self-Insurance</u>
Current Assets	
Cash and Cash Equivalents with Fiscal Agent	\$3,055,131
Current Liabilities	
Claims Payable	<u>415,900</u>
Net Position	
Unrestricted	<u><u>\$2,639,231</u></u>

See accompanying notes to the basic financial statements

Noble Local School District, Ohio
*Statement of Revenues,
Expenses and Changes in Fund Net Position
Internal Service Fund
For the Fiscal Year Ended June 30, 2021*

	Medical, Dental, and Vision Self-Insurance
Operating Revenues	
Charges for Services	\$3,164,005
Operating Expenses	
Purchased Services	562,046
Claims	2,157,700
<i>Total Operating Expenses</i>	<i>2,719,746</i>
<i>Operating Income</i>	<i>444,259</i>
Non-Operating Revenues:	
Interest	13,645
<i>Change in Net Position</i>	<i>457,904</i>
<i>Net Position Beginning of Year</i>	<i>2,181,327</i>
<i>Net Position End of Year</i>	<i>\$2,639,231</i>

See accompanying notes to the basic financial statements

Noble Local School District, Ohio
Statement of Cash Flows
Internal Service Fund
For the Fiscal Year Ended June 30, 2021

	Medical, Dental, and Vision Self-Insurance
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities:	
Cash Received from Transactions with Other Funds	\$3,164,005
Cash Payments to Suppliers for Services	(562,046)
Cash Payments for Claims	(1,885,900)
<i>Net Cash Provided by Operating Activities</i>	716,059
Cash Flows from Investing Activities:	
Interest	13,645
Net Increase in Cash and Cash Equivalents	729,704
<i>Cash and Cash Equivalents Beginning of Year</i>	2,325,427
<i>Cash and Cash Equivalents End of Year</i>	\$3,055,131
Reconciliation of Operating Income to Net Cash Provided By Operating Activities	
Operating Income	\$444,259
Changes in Liabilities	
Increase in Claims Payable	271,800
<i>Net Cash Provided By Operating Activities</i>	\$716,059
See accompanying notes to the basic financial statements	

Noble Local School District, Ohio

Statement of Net Position

Fiduciary Fund

June 30, 2021

	Private Purpose Trust
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$34,143</u>
Net Position	
Endowments	33,500
Held in Trust for Scholarships	<u>643</u>
Total Net Position	<u><u>\$34,143</u></u>

See accompanying notes to the basic financial statements

Noble Local School District, Ohio
Statement of Changes in Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2021

	Private Purpose Trust
Additions	
Interest	\$151
Deductions	<u>0</u>
Change in Net Position	151
Net Position Beginning of Year	<u>33,992</u>
Net Position End of Year	<u><u>\$34,143</u></u>

See accompanying notes to the basic financial statements

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 1 - Description of the School District and Reporting Entity

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

The School District operates under a locally-elected five-member Board form of government and provides educational services as mandated by State and federal agencies. This Board of Education controls the School District's two instructional/support facilities staffed by 51 classified employees and 79 certified full time teaching personnel who provide services to 860 students and other community members.

Reporting Entity

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

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

The School District participates in the Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (OME-RESA), the Mid-East Career and Technology Centers, the Coalition of Rural and Appalachian Schools, and the Ohio Coalition for Equity and Adequacy of School Funding, which are defined as jointly governed organizations; the Ohio School Boards Association Workers' Compensation Group Rating Plan, which is defined as an insurance purchasing pool; and the South Central Ohio Insurance Consortium (SCOIC) and the Schools of Ohio Risk Sharing Authority (SORSA), which are defined as risk sharing, claims servicing, and insurance purchasing pools. These organizations are presented in Notes 19, 20, and 21 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

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

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

Basis of Presentation

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

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

The Statement of Net Position presents the financial condition of the governmental activities of the School District at fiscal year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the School District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department, and therefore clearly identifiable to a particular function. Program revenues include charges paid by the recipient of the goods or services offered by the program; grants and contributions that are restricted to meeting the operational or capital requirements of a particular program; and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the School District. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the School District.

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

Fund Accounting

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

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

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

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

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

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

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

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

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics. The School District's private purpose trust fund accounts for programs that provide college scholarships to students. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District's custodial fund accounts activities and assets held by the School District as an agent for outside activities.

Measurement Focus

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

Fund Financial Statements All governmental funds are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities generally are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

Like the government-wide statements, all proprietary and fiduciary funds are accounted for on a flow of economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of these funds are included on the Statement of Net Position. In fiduciary funds, a liability to the beneficiaries of fiduciary activity is recognized when an event has occurred that compels the government to disburse fiduciary resources. Fiduciary fund liabilities other than those to beneficiaries are recognized using the economic resources measurement focus.

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

For proprietary funds, the Statement of Revenues, Expenses and Changes in Fund Net Position presents increases (i.e., revenues) and decreases (i.e., expenses) in total net position. The Statement of Cash Flows provides information about how the School District finances and meets the cash flow needs of its proprietary activities.

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

Basis of Accounting

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

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

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

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

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

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

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide Statement of Net Position for pension and OPEB plans. The deferred outflows of resources related to pension and OPEB are explained in Notes 13 and 14.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB plans, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2021, but which were levied to finance fiscal year 2022 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds Balance Sheet, and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, intergovernmental revenues, student fees, and miscellaneous revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities found on page 18. Deferred inflows of resources related to pension and OPEB are reported on the government-wide Statement of Net Position. (See Notes 13 and 14)

Budgetary Process

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

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

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

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

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

Cash and Cash Equivalents

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

During fiscal year 2021, the School District's investments were limited to money market mutual funds and negotiable certificates of deposit, which are stated at fair value.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2021 amounted to \$95,196, which includes \$28,680 assigned from other School District funds.

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

Inventory

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2021, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

Capital Assets

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

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

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

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

<u>Description</u>	<u>Estimated Lives</u>
Land Improvements	5 years
Buildings and Improvements	20-50 years
Furniture and Equipment	5-15 years
Vehicles	10 years

Restricted Assets

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

Compensated Absences

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

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

Bond Premium

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

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements. In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds. However, claims and judgments and compensated absences that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current fiscal year. Bonds and capital leases are recognized as a liability on the governmental fund financial statements when due. Net pension/OPEB liability should be recognized in the governmental funds to the extent that benefit payments are due and payable and the pension/OPEB plan's fiduciary net position is not sufficient for payment of those benefits.

Internal Activity

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

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

Fund Balance

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

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

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

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

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

Assigned Amounts in the assigned fund balance classification are intended to be used by the School District for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the School District Board of Education or a School District official delegated that authority by resolution or State Statute. State statute authorizes the School District's Treasurer to assign fund balance for purchases on order provided such amounts have been lawfully appropriated.

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

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

Net Position

Net position represents the difference between assets and liabilities. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

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

Pensions/Other Postemployment Benefits (OPEB)

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

Operating Revenues and Expenses

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

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the Board of Education and that are either unusual in nature or infrequent in occurrence.

Estimates

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

Note 3 - Change in Accounting Principles

For fiscal year 2021, the School District implemented the Governmental Accounting Standards Board's (GASB) Statement No. 98, *The Annual Comprehensive Financial Report*. GASB 98 establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. The School District is also implementing *Implementation Guide No. 2019-1*. These changes were incorporated in the School District's 2021 financial statements; however, there was no effect on beginning net position/fund balance.

Note 4 - Fund Balances

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

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

Fund Balances	General Fund	Permanent Improvement	Other Governmental Funds	Total
Nonspendable:				
Prepays	\$80,166	\$0	\$366	\$80,532
Unclaimed Monies	301	0	0	301
Materials and Supplies Inventory	21,704	0	1,738	23,442
<i>Total Nonspendable</i>	<u>102,171</u>	<u>0</u>	<u>2,104</u>	<u>104,275</u>
Restricted for:				
State Programs	0	0	64,938	64,938
Scholarships	0	0	1,528	1,528
Student Activities	0	0	91,333	91,333
<i>Total Restricted</i>	<u>0</u>	<u>0</u>	<u>157,799</u>	<u>157,799</u>
Committed:				
Construction Contracts	0	1,150,045	0	1,150,045
Termination Benefits	300,000	0	0	300,000
<i>Total Committed</i>	<u>300,000</u>	<u>1,150,045</u>	<u>0</u>	<u>1,450,045</u>
Assigned to:				
Capital Improvements	0	3,229,262	0	3,229,262
Public School Support	12,122	0	0	12,122
Purchases on Order	129,313	0	0	129,313
<i>Total Assigned</i>	<u>141,435</u>	<u>3,229,262</u>	<u>0</u>	<u>3,370,697</u>
Unassigned (Deficit):	<u>22,234,164</u>	<u>0</u>	<u>(410,074)</u>	<u>21,824,090</u>
<i>Total Fund Balances (Deficit)</i>	<u>\$22,777,770</u>	<u>\$4,379,307</u>	<u>(\$250,171)</u>	<u>\$26,906,906</u>

Note 5 - Fund Deficits

The Miscellaneous Federal Grants, Food Service, Elementary and Secondary School Emergency Relief, and Local Grants and Donations Special Revenue Funds had deficit fund balances at fiscal year-end of \$191,775, \$89,204, \$106,904, and \$20,087, respectively. These deficits are the result of the recognition of payables in accordance with generally accepted accounting principles as well as short-term loans from the General Fund needed for operations until the receipt of grant monies. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Note 6 - Budgetary Basis of Accounting

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

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

The Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) for the General Fund is presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

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

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

Net Change in Fund Balance	
	<u>General</u>
GAAP Basis	\$6,939,119
Revenue Accruals	(1,143,407)
Expenditure Accruals	92,756
End of Year Investment Market Value Adjustment	(1,533)
Prepaid Items:	
Beginning of Fiscal Year	72,370
End of Fiscal Year	(80,166)
Cash Deficits	296,013
To reclassify excess of expenditures over revenues into financial statement fund types	4,262
Encumbrances	<u>(168,694)</u>
Budget Basis	<u><u>\$6,010,720</u></u>

Note 7 - Deposits and Investments

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

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

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

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

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

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

Interim monies held by the School District can be deposited or invested in the following securities:

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);

Noble Local School District, Ohio
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8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim moneys available for investment at the time of purchase.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the School District, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At June 30, 2021, the School District's internal service fund had a cash balance of \$3,055,131 with South Central Ohio Insurance Consortium, a claims servicing pool (See Note 21). The balance is held by the claims administrator in a pooled account which is representative of numerous entities and, therefore, cannot be included in the risk disclosures reported by the School District. Disclosures for the South Central Ohio Insurance Consortium as a whole may be obtained from the consortium's fiscal agent.

Investments As of June 30, 2021, the School District had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Rating	Percent of Total Investments
Fair Value - Level 1 Inputs				
Money Market Mutual Fund	\$4,449,139	N/A	N/A	69.11%
Fair Value - Level 2 Inputs				
Negotiable Certificates of Deposit	1,988,533	09/30/2021-04/21/2023	N/A	30.89%
Total	\$6,437,672			

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the School District's recurring fair value measurements as of June 30, 2021.

Note 8 - Property Taxes

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar 2021 represents collections of calendar year 2020 taxes. Real property taxes received in calendar year 2021 were levied after April 1, 2020, on the assessed value listed as of January 1, 2020, the lien date.

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Assessed values for real property taxes are established by State statute at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar 2021 represents collections of calendar year 2021 taxes. Public utility real property taxes received in calendar year 2021 became a lien December 31, 2019, were levied after April 1, 2020 and are collected with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Guernsey, Monroe, and Noble Counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2021, are available to finance fiscal year 2021 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility taxes which are measurable as of June 30, 2021, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reflected as revenue at fiscal year-end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources - property taxes.

The amount available as an advance at June 30, 2021, was \$5,715,817 and is recognized as revenue in the General Fund. The amount available as an advance at June 30, 2020, was \$4,853,023 in the General Fund. On an accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been reported as deferred inflows of resources - unavailable revenue.

The assessed values upon which the fiscal year 2021 taxes were collected are:

	<u>2020 Second Half Collections</u>		<u>2021 First Half Collections</u>	
	<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
Agricultural/Residential	\$134,387,590	19.98%	\$147,081,340	20.25%
Commerical/Industrial and Public Utility Real	81,302,260	12.08%	66,677,120	9.18%
Public Utility Personal	457,148,190	67.94%	512,479,200	70.57%
	<u>\$672,838,040</u>	<u>100.00%</u>	<u>\$726,237,660</u>	<u>100.00%</u>
Tax Rate per \$1,000 of assessed valuation		\$30.50		\$30.50

Note 9 - Receivables

Receivables at June 30, 2021, consisted of property taxes, accounts (billings for user charged services and student tuition and fees), interfund, and intergovernmental grants.

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All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. Except for property taxes, all receivables are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be received within one year.

A summary of the principal items of intergovernmental receivables follows:

	Amounts
Governmental Activities	
Special Education, Part B-IDEA Grant	\$154,991
Title I Grant	59,716
Ohio Bureau of Workers' Compensation Reimbursement	445
RemotEDx OCER Department Match Grant	5,500
Title II-A Grant	12,340
Title VI-A Grant	12,316
High Schools That Work Grant	2,082
Agricultural Education Grant	6,218
Foundation Adjustments	18,078
Elementary and Secondary Emergency Relief Grants	101,404
Food Service Breakfast and Lunch Reimbursements	597
Miscellaneous Reimbursements	4,517
Total	\$378,204

Note 10 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2021, was as follows:

	Balance 6/30/2020	Additions	Deductions	Balance 6/30/2021
Nondepreciable Capital Assets:				
Land	\$544,859	\$119,354	\$0	\$664,213
Construction in Progress	1,771,168	2,448,081	(2,915,944)	1,303,305
Total Capital Assets not being Depreciated	2,316,027	2,567,435	(2,915,944)	1,967,518
Depreciable Capital Assets:				
Land Improvements	3,143,044	0	0	3,143,044
Buildings and Improvements	19,151,900	2,915,944	(10,669)	22,057,175
Furniture and Equipment	2,008,669	1,714,339	(12,008)	3,711,000
Vehicles	1,776,543	186,868	(73,650)	1,889,761
Total Capital Assets being Depreciated	26,080,156	4,817,151	(96,327)	30,800,980
Less Accumulated Depreciation:				
Land Improvements	(1,757,948)	(342,775)	0	(2,100,723)
Buildings and Improvements	(6,415,749)	(645,922)	8,215	(7,053,456)
Furniture and Equipment	(690,834)	(158,997)	12,008	(837,823)
Vehicles	(1,012,343)	(132,997)	73,650	(1,071,690)
Total Accumulated Depreciation	(9,876,874)	(1,280,691) *	93,873	(11,063,692)
Total Capital Assets being Depreciated, Net	16,203,282	3,536,460	(2,454)	19,737,288
Capital Assets, Net	\$18,519,309	\$6,103,895	(\$2,918,398)	\$21,704,806

*Depreciation expense was charged to governmental functions as follows:

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Instruction:	
Regular	\$340,549
Special	62,580
Vocational	67,687
Support Services:	
Pupils	41,385
Instructional Staff	12,968
Board of Education	94
Administration	50,970
Fiscal	1,109
Operation and Maintenance of Plant	454,704
Pupil Transportation	131,931
Food Service Operations	43,305
Extracurricular Activities	73,409
Total Depreciation Expense	<u><u>\$1,280,691</u></u>

Note 11 - Significant Commitments

A. Contractual Commitments

As of June 30, 2021, the School District has contractual purchase commitments as follows:

Project	Fund	Contract Amount	Amount Expended	Balance at 6/30/2021
Phase IV Renovation Project	Permanent Improvement	2,312,255	1,252,222	1,060,033
Phase IV Consulting Contract	Permanent Improvement	38,745	28,281	10,464
High School Panel Replacement	Permanent Improvement	32,574	22,802	9,772
Total Contractual Commitments		<u><u>\$2,383,574</u></u>	<u><u>\$1,303,305</u></u>	<u><u>\$1,080,269</u></u>

B. Encumbrances

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

General Fund	\$168,754
Permanent Improvement Capital Projects Fund	1,690,248
Nonmajor Funds	161,440
Total	<u><u>\$2,020,442</u></u>

Note 12 - Risk Management

A. Property and Liability

The School District was exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

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During fiscal year 2021, the School District contracted with the Schools of Ohio Risk Sharing Authority (SORSA) for the following commercial coverage:

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

Blanket property and equipment coverage for fiscal year 2021 was \$39,521,560. The deductible was \$1,000. Crime coverage had a limit of \$1,000,000 per loss and a \$1,000 deductible. General liability coverage included a \$17,000,000 aggregate limit and no deductible. Automobile liability coverage included liability, medical payments, uninsured motorists, underinsured motorists, comprehensive, and collision. Auto liability had a \$15,000,000 combined single limit of liability and no deductible.

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

B. Workers’ Compensation

For fiscal year 2021, the School District participated in the Ohio School Boards Association Workers’ Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 20). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers’ compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers’ compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP’s selection criteria. The firm of CompManagement, Inc. provides administrative, cost control, and actuarial services to the GRP.

C. Employee Benefits

Medical/surgical, dental, and vision insurance is offered to employees through a self-insurance internal service fund. The School District is a member of a claims servicing pool in which monthly premiums are paid to the fiscal agent who in turn pays the claims on the School District’s behalf. The claims liability of \$415,900 reported in the internal service fund at June 30, 2021, is based on an estimate by South Central Ohio Insurance Consortium and the application of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by the increased claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims activity for 2020 and 2021 were:

	Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2020	\$278,600	\$2,028,899	\$2,163,399	\$144,100
2021	144,100	2,157,700	1,885,900	415,900

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Note 13 - Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability

The net pension liability and the net OPEB liability (asset) reported on the Statement of Net Position represent liabilities to employees for pensions and OPEB, respectively. Pensions/OPEB are a component of exchange transactions - between an employer and its employees - of salaries and benefits for employee services. Pensions/OPEB are provided to an employee - on a deferred-payment basis - as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions is a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually-required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 14 for the required OPEB disclosures.

School Employees Retirement System (SERS)

Plan Description - School District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309.

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SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information, and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

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

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

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

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. Beginning April 1, 2018, new benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. A three-year COLA suspension is in effect for all benefit recipients for the years 2018, 2019, and 2020. Upon resumption of the COLA, it will be indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. In 2020, the Board of Trustees approved a 0.5 percent cost-of-living adjustment (COLA) for eligible retirees and beneficiaries in 2021.

Funding Policy - Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2020, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2021, the Retirement Board did not allocate any employer contributions to the Health Care Fund.

The School District's contractually required contribution to SERS was \$239,511 for fiscal year 2021. Of this amount, \$27,303 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

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

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

The DC Plan allows members to place all their member contributions and 9.53 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 4.47 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability.

A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate is deposited into the member's DC account and the remaining 2 percent is applied to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity at age 50 and after termination of employment.

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

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

Funding Policy - Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The fiscal year 2021 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For fiscal year 2021, the full employer contribution was allocated to pension.

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The School District's contractually required contribution to STRS was \$747,475 for fiscal year 2021. Of this amount, \$130,892 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities. Following is information related to the proportionate share and pension expense:

	<u>SERS</u>	<u>STRS</u>	
Proportion of the Net Pension Liability:			
Prior Measurement Date	0.04370810%	0.04057156%	
Current Measurement Date	<u>0.04517110%</u>	<u>0.04168659%</u>	
Change in Proportionate Share	<u>0.00146300%</u>	<u>0.00111503%</u>	
Proportionate Share of the Net			<u>Total</u>
Pension Liability	\$2,987,712	\$10,086,672	\$13,074,384
Pension Expense	\$378,947	\$1,276,480	\$1,655,427

At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$5,804	\$22,632	\$28,436
Changes of assumptions	0	541,460	541,460
Net difference between projected and actual earnings on pension plan investments	189,659	490,516	680,175
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	53,565	371,493	425,058
School District contributions subsequent to the measurement date	<u>239,511</u>	<u>747,475</u>	<u>986,986</u>
Total Deferred Outflows of Resources	<u>\$488,539</u>	<u>\$2,173,576</u>	<u>\$2,662,115</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$64,497	\$64,497
Changes in Proportionate Share and difference between School District contributions and proportionate share of contributions	<u>552</u>	<u>506</u>	<u>1,058</u>
Total Deferred Inflows of Resources	<u>\$552</u>	<u>\$65,003</u>	<u>\$65,555</u>

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\$986,986 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022.

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

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2022	\$32,935	\$459,246	\$492,181
2023	77,107	286,755	363,862
2024	79,054	351,069	430,123
2025	59,380	264,028	323,408
Total	\$248,476	\$1,361,098	\$1,609,574

Actuarial Assumptions - SERS

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

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

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

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

Inflation	3.00 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent
COLA or Ad Hoc COLA	2.50 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

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

The most recent experience study was completed for the five year period ended June 30, 2015.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	1.85 %
US Stocks	22.50	5.75
Non-US Stocks	22.50	6.50
Fixed Income	19.00	2.85
Private Equity	12.00	7.60
Real Assets	17.00	6.60
Multi-Asset Strategies	5.00	6.65
Total	100.00 %	

Discount Rate The total pension liability was calculated using the discount rate of 7.50 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.50 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.50 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.50 percent), or one percentage point higher (8.50 percent) than the current rate.

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
School District's proportionate share of the net pension liability	\$4,092,800	\$2,987,712	\$2,060,521

Noble Local School District, Ohio
Notes to the Basic Financial Statements
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Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the July 1, 2020, actuarial valuation, are presented below:

Inflation	2.50 percent
Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Discount Rate of Return	7.45 percent
Payroll Increases	3 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

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

Actuarial assumptions used in the July 1 2020 valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Rate of Return *</u>
Domestic Equity	28.00 %	7.35 %
International Equity	23.00	7.55
Alternatives	17.00	7.09
Fixed Income	21.00	3.00
Real Estate	10.00	6.00
Liquidity Reserves	<u>1.00</u>	2.25
Total	<u>100.00 %</u>	

* 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent and does not include investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

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Discount Rate The discount rate used to measure the total pension liability was 7.45 percent as of June 30, 2020. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2020. Therefore, the long-term expected rate of return on pension plan investments of 7.45 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2020.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.45 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current rate:

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net pension liability	\$14,361,664	\$10,086,672	\$6,463,971

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. As of June 30, 2021, there are no employees who have elected Social Security. The Board of Education's liability is 6.2 percent of wages paid.

Note 14 - Postemployment Benefits

See Note 13 for a description of the net OPEB liability

School Employees Retirement System (SERS)

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

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2021, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2021, this amount was \$23,000. Statutes provide that no employer shall pay a health care surcharge greater than 1.5 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2021, the School District's surcharge obligation was \$32,854.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$32,854 for fiscal year 2021, which is reported as an intergovernmental payable.

State Teachers Retirement System (STRS)

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

Funding Policy - Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2021, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability (asset) was measured as of June 30, 2020, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as of that date. The School District's proportion of the net OPEB liability (asset) was based on the School District's share of contributions to the respective retirement systems relative to the contributions of all participating entities.

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

Noble Local School District, Ohio
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	<u>SERS</u>	<u>STRS</u>	
Proportion of the Net OPEB Liability:			
Prior Measurement Date	0.04448880%	0.04057156%	
Current Measurement Date	<u>0.04709440%</u>	<u>0.04168659%</u>	
Change in Proportionate Share	<u>0.00260560%</u>	<u>0.00111503%</u>	
Proportionate Share of the:			<u>Total</u>
Net OPEB Liability	\$1,023,515	\$0	\$1,023,515
Net OPEB Asset	\$0	\$732,641	\$732,641
OPEB Expense	\$11,938	(\$33,235)	(\$21,297)

At June 30, 2021, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$13,443	\$46,944	\$60,387
Changes of assumptions	174,473	12,094	186,567
Net difference between projected and actual earnings on OPEB plan investments	11,533	25,676	37,209
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	75,380	42,322	117,702
School District contributions subsequent to the measurement date	<u>32,854</u>	<u>0</u>	<u>32,854</u>
Total Deferred Outflows of Resources	<u>\$307,683</u>	<u>\$127,036</u>	<u>\$434,719</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$520,529	\$145,931	\$666,460
Changes of assumptions	<u>25,780</u>	<u>695,886</u>	<u>721,666</u>
Total Deferred Inflows of Resources	<u>\$546,309</u>	<u>\$841,817</u>	<u>\$1,388,126</u>

\$32,854 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Noble Local School District, Ohio
Notes to the Basic Financial Statements
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Fiscal Year Ending June 30:	SERS	STRS	Total
2022	(\$53,668)	(\$178,862)	(\$232,530)
2023	(52,834)	(161,482)	(214,316)
2024	(52,970)	(155,383)	(208,353)
2025	(55,349)	(151,667)	(207,016)
2026	(42,657)	(32,242)	(74,899)
Thereafter	(14,002)	(35,145)	(49,147)
Total	<u>(\$271,480)</u>	<u>(\$714,781)</u>	<u>(\$986,261)</u>

Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2020, are presented below:

Inflation	3.00 percent
Wage Increases	3.50 percent to 18.20 percent
Investment Rate of Return	7.50 percent net of investment expense, including inflation
Municipal Bond Index Rate:	
Measurement Date	2.45 percent
Prior Measurement Date	3.13 percent
Single Equivalent Interest Rate, net of plan investment expense, including price inflation	
Measurement Date	2.63 percent
Prior Measurement Date	3.22 percent
Medical Trend Assumption	
Medicare	5.25 to 4.75 percent
Pre-Medicare	7.00 to 4.75 percent

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

The most recent experience study was completed for the five year period ended June 30, 2015.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2010 through 2015, and was adopted by the Board on April 21, 2016. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.50 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

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

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2020 was 2.63 percent. The discount rate used to measure the total OPEB liability at June 30, 2019, was 3.22 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the State statute contribution rate of 2.00 percent of projected covered employee payroll each year, which includes a 1.50 percent payroll surcharge and 0.50 percent of contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make future benefit payments during the fiscal year ending June 30, 2025. Therefore, the long-term expected rate of return on OPEB plan assets was used to present value the projected benefit payments through the fiscal year ending June 30, 2024 and the Fidelity General Obligation 20-year Municipal Bond Index rate of 2.45 percent, as of June 30, 2020 (i.e. municipal bond rate), was used to present value the projected benefit payments for the remaining years in the projection. The total present value of projected benefit payments from all years was then used to determine the single rate of return that was used as the discount rate. The projection of future benefit payments for all current plan members was until the benefit payments ran out.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (1.63%) and higher (3.63%) than the current discount rate (2.63%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.75%) and higher (8.00% decreasing to 5.75%) than the current rate.

Noble Local School District, Ohio
Notes to the Basic Financial Statements
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	1% Decrease (1.63%)	Current Discount Rate (2.63%)	1% Increase (3.63%)
School District's proportionate share of the net OPEB liability	\$1,252,757	\$1,023,515	\$841,268
	1% Decrease (6.00 % decreasing to 3.75%)	Current Trend Rate (7.00 % decreasing to 4.75%)	1% Increase (8.00 % decreasing to 5.75%)
School District's proportionate share of the net OPEB liability	\$805,941	\$1,023,515	\$1,314,469

Actuarial Assumptions - STRS

Key methods and assumptions used in the latest actuarial valuation, reflecting experience study results used in the June 30, 2020, actuarial valuation are presented below:

Projected Salary Increases	12.50 percent at age 20 to 2.50 percent at age 65
Investment Rate of Return	7.45 percent, net of investment expenses, including inflation
Payroll Increases	3 percent
Discount Rate of Return	7.45 percent
Health Care Cost Trends	
Medical	
Pre-Medicare	5.00 percent initial, 4 percent ultimate
Medicare	-6.69 percent initial, 4 percent ultimate
Prescription Drug	
Pre-Medicare	6.50 percent initial, 4 percent ultimate
Medicare	11.87 percent initial, 4 percent ultimate

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

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

Actuarial assumptions used in the June 30, 2020, valuation are based on the results of an actuarial experience study for the period July 1, 2011 through June 30, 2016.

Since the prior measurement date, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984 percent to 2.055 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

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

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

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2020, calculated using the current period discount rate assumption of 7.45 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.45 percent) or one percentage point higher (8.45 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.45%)	Current Discount Rate (7.45%)	1% Increase (8.45%)
School District's proportionate share of the net OPEB asset	\$637,445	\$732,641	\$813,411
	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	\$808,398	\$732,641	\$640,359

Note 15 - Other Employee Benefits

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

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

Note 16 - Capital Leases

In prior fiscal years, the School District entered into an agreement to lease a copier. This agreement is, in substance, a lease purchase and is reflected as a capital lease obligation in the financial statements. Capital lease payments are reflected as debt service expenditures in the basic financial statements. Principal payments for fiscal year 2021 totaled \$11,278 in the General Fund. The capital lease obligation represents the present value of the net future minimum lease payments on the capital lease.

Noble Local School District, Ohio
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The book value related to this lease is as follows:

	Governmental Activities
Furniture and Equipment	\$56,772
Less Accumulated Depreciation	(13,625)
Total June 30, 2021	\$43,147

The following is a schedule of the future long-term minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2021.

Fiscal Year	Principal	Interest	Total
2022	\$11,862	\$1,014	\$12,876
2023	12,477	399	12,876
2024	1,069	5	1,074
Total	\$25,408	\$1,418	\$26,826

Note 17 - Long-Term Obligations

Changes in general long-term obligations of the School District during fiscal year 2021 were as follows:

	Principal Outstanding 6/30/20	Additions	Deductions	Principal Outstanding 6/30/21	Amounts Due within One Year
2012 Energy Conservation Improvement Bonds:					
Term Bonds - 1.00% - 2.70%	\$100,000	\$0	\$50,000	\$50,000	\$50,000
Premium on Bonds	2,345	0	1,655	690	0
Total Bonds	102,345	0	51,655	50,690	50,000
Net Pension Liability:					
STRS	8,972,157	1,114,515	0	10,086,672	0
SERS	2,615,134	372,578	0	2,987,712	0
Total Net Pension Liability	11,587,291	1,487,093	0	13,074,384	0
Net OPEB Liability:					
SERS	1,128,839	0	105,324	1,023,515	0
Capital Leases Payable	36,686	0	11,278	25,408	11,862
Sick Leave Benefits Payable	794,448	269,967	0	1,064,415	57,728
Total Long-Term Obligations	\$13,649,609	\$1,757,060	\$168,257	\$15,238,412	\$119,590

On August 15, 2012, the School District issued \$720,000 in unvoted energy conservation improvement bonds. The bond issue included term and capital appreciation bonds, in the amount of \$705,000 and \$15,000, respectively. The bonds were issued for a 15 year period with final maturity at December 1, 2027.

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The debt will be retired through reductions in energy consumption and cost savings attributed to the installation of the energy conservation improvements. The capital appreciation bonds matured in fiscal year 2017.

The current interest term bonds due December 1, 2022, are subject to mandatory sinking fund redemption at a redemption price of 100% of the principal amount to be redeemed, plus accrued interest to the date of redemption, on December 1 in the years and in the respective principal amounts as follows:

Date	Principal Amount To Be Redeemed
2021	\$50,000

Principal and interest requirements to retire the bonds outstanding at June 20, 2021, are as follows:

Fiscal Year Ending	Term Bonds	
	Principal	Interest
2022	\$50,000	\$1,000

The School District's overall legal debt margin at June 30, 2021, was \$65,361,389, with an unvoted debt margin of \$726,238.

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

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

Note 18 - Interfund Activity

A. Transfers

Interfund transfers for the year ended June 30, 2021, consisted of the following:

	Transfer In	Transfer Out
General Fund	\$0	\$4,075,000
Nonmajor Special Revenue Funds:		
Food Service	50,000	0
District Managed Student Activities	25,000	0
Permanent Improvement Capital Projects Fund	4,000,000	0
Total All Funds	\$4,075,000	\$4,075,000

The transfer to the Food Service Fund Special Revenue Fund was to help subsidize the program and maintain a working balance in the fund. The transfer to the District Managed Student Activities Special Revenue Fund to maintain a working balance in this fund as sports related activities were cancelled during the coronavirus pandemic. The transfer to the Permanent Improvement Capital Projects Fund was to accumulate a balance for future construction projects of the School District.

Noble Local School District, Ohio
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B. Interfund Balances

Unpaid interfund cash advances at June 30, 2021, were as follows:

	Receivable	Payable
General Fund	\$379,017	\$0
Nonmajor Special Revenue Funds:		
Food Service	0	83,004
Local Grants and Donations	0	20,087
Elementary and Secondary School Emergency Relief	0	106,904
Federal Grants	0	169,022
Total All Funds	\$379,017	\$379,017

During fiscal year 2021 and in prior years, the General Fund provided cash flow resources to the above funds which are reflected as an interfund receivable. These interfund loans were used to provide cash flow resources until the receipt of grant monies and other financial resources that the above special revenue funds can accumulate to repay these loans.

Note 19 - Jointly Governed Organizations

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

The Oho Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (OME-RESA) was created as a separate regional council of governments pursuant to State statutes. OME-RESA operates under the direction of a Board comprising a representative from each participating school district. The Board exercises total control over the operations of OME-RESA including budgeting, appropriating, contracting, and designating management. Each participants control is limited to its representation on the Board. OME-RESA provides information technology and internet access to member districts, as well as cooperative purchasing programs. During fiscal year 2021, the total amount paid to OME-RESA from the School District was \$37,997 for technology services and financial accounting services and educational management information. The Jefferson County Educational Service Center serves as the fiscal agent. To obtain financial information write to Ohio Mid-Eastern Regional Educational Service Agency, Treasurer, at 2230 Sunset Blvd., Suite 2, Steubenville, Ohio 43952.

B. Mid-East Career and Technology Centers

The Mid-East Career and Technology Centers (Center) is a jointly governed organization providing vocational education services to its thirteen member school districts. The Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating school district's boards. The board exercised total control over the operations of the Center including budgeting, appropriating, contracting, and designing management. Each participant's control is limited to its representation on the board. The continued existence of the Center is not dependent on the School District's continued participation and no equity interest exists. During fiscal year 2021, the School District made no payments to the Center. To obtain financial information write to the Mid-East Career and Technology Centers, Nan Nolder, Treasurer, at 1965 Chandlersville Road, Zanesville, Ohio 45701.

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For the Fiscal Year Ended June 30, 2021

C. Coalition of Rural and Appalachian Schools

The Coalition of Rural and Appalachian Schools is a jointly governed organization composed of over 136 school districts and other educational institutions in the 35-county region of Ohio designated as Appalachia. The Coalition is operated by a Board which is composed of seventeen members. One elected and one appointed from each of the seven regions into which the 35 Appalachian counties are divided; and three from Ohio University College of Education. The Coalition provides various in-service training programs for school district administrative personnel; gathers data regarding the level of education provided to children in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Coalition is not dependent on the continued participation of the School District and the School District does not maintain an equity interest in or financial responsibility for the Coalition. The School District's membership fee was \$325 for fiscal year 2021. The financial information for the Coalition can be obtained from the Executive Director, at McCracken Hall, Ohio University, Athens, Ohio 45701.

D. Ohio Coalition for Equity and Adequacy of School Funding

The Ohio Coalition of Equity and Adequacy of School Funding is organized as a council of governments pursuant to Chapter 167 of the Ohio Revised Code. The Coalition was organized in 1990 to challenge the constitutionality of the Ohio school funding system. The Coalition is governed by a Steering Committee of 90 school district representatives. Though most of the members are superintendents, some treasurers, board members, and administrators also serve. Several persons serve as ex officio members. The membership of the coalition includes over 500 school districts throughout the State of Ohio. Member school districts and joint vocational schools pay dues of \$.05 per pupil. School districts and joint vocational schools may also pay supplemental dues in the amount of \$.50 per pupil for K-12 districts and educational service centers pay dues of \$.05 per pupil. The Coalition is not dependent on the continued participation of the School District and the School District does not maintain an equity interest or financial responsibility for the Coalition. During 2021, the School District paid \$422 for membership fees to the Coalition.

Note 20 - Insurance Purchasing Pool

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

Note 21 - Public Entity Risk Sharing, Claims Servicing, and Insurance Purchasing Pools

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

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

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

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

Note 22 - Set-Aside Calculations

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

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

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

	Capital Improvements
Set-aside Balance as of June 30, 2020	\$0
Current Year Set-aside Requirement	169,387
Offsetting Credits	(4,000,000)
Qualifying Disbursements	(259,063)
Total	(\$4,089,676)
Set-aside Balance Carried Forward to Future Fiscal Years	\$0

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

Note 23 - Donor Restricted Endowments

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

Note 24 - Contingencies

A. Grants

The School District received financial assistance from federal and State agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2021, if applicable, cannot be determined at this time.

B. Litigation

As of June 30, 2021, the School District is currently not a party to any material legal proceedings.

C. School Foundation

In fiscal year 2021, School District foundation funding was based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by the schools throughout the State, which can extend past the fiscal year-end. As of the date of this report, additional ODE adjustments for fiscal year 2021 have been finalized. The impact of the FTE adjustments are reflected on the fiscal year 2021 financial statements.

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2021

Note 25 - COVID-19

The United States and the State of Ohio declared a state of emergency in March of 2020, due to the COVID-19 pandemic. Ohio's state of emergency ended in June of 2021 while the national state of emergency continues. During fiscal year 2021, the School District received Coronavirus Aid, Relief, and Economic Security (CARES) Act funding. The School District's investment portfolio and the investments of the pension and other employee benefit plans in which the School District participates fluctuate with market conditions, and due to market volatility, the amount of losses that will be recognized in subsequent periods, if any, cannot be determined. In addition, the impact on the School District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated. Additional funding has been made available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020 and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

Note 26 - Subsequent Event

For fiscal year 2022, School District foundation funding received from the state of Ohio will be funded using a direct funding model. Under this new model, community school, STEM school, scholarship, and open enrollment funding will be directly funded by the State of Ohio to the respective educating schools. For fiscal year 2021 and prior, the amounts related to students who were residents of the School District were funded to the School District who, in turn, made the payment to the educating school. For fiscal year 2021, the School District reported \$625,452 in revenues and expenditures/expenses related to these programs. This new funding system calculates a unique base cost and a unique "per-pupil local capacity amount" for each School District. The School District's state core foundation funding is then calculated. Any change in funding will be subject to a phase in percentage of 16.67 percent for fiscal year 2022 and 33.33 percent for fiscal year 2023.

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

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

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

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

See accompanying notes to the required supplementary information

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

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

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

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

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

See accompanying notes to the required supplementary information

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

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

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

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

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

See accompanying notes to the required supplementary information

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

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

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

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

See accompanying notes to the required supplementary information

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

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

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

(2) Includes Surcharge

See accompanying notes to the required supplementary information

2017	2016	2015	2014	2013	2012
\$184,646	\$190,462	\$170,173	\$181,892	\$165,364	\$139,609
<u>(184,646)</u>	<u>(190,462)</u>	<u>(170,173)</u>	<u>(181,892)</u>	<u>(165,364)</u>	<u>(139,609)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
\$1,318,900	\$1,360,443	\$1,291,143	\$1,312,350	\$1,194,824	\$1,037,984
<u>14.00%</u>	<u>14.00%</u>	<u>13.18%</u>	<u>13.86%</u>	<u>13.84%</u>	<u>13.45%</u>
\$23,396	\$22,635	\$33,542	\$25,002	\$22,912	\$23,853
<u>(23,396)</u>	<u>(22,635)</u>	<u>(33,542)</u>	<u>(25,002)</u>	<u>(22,912)</u>	<u>(23,853)</u>
<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
<u>1.77%</u>	<u>1.66%</u>	<u>2.60%</u>	<u>1.91%</u>	<u>1.92%</u>	<u>2.30%</u>
<u>15.77%</u>	<u>15.66%</u>	<u>15.78%</u>	<u>15.77%</u>	<u>15.76%</u>	<u>15.75%</u>

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

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

See accompanying notes to the required supplementary information

2017	2016	2015	2014	2013	2012
\$586,467	\$612,273	\$588,458	\$539,767	\$487,396	\$562,480
(586,467)	(612,273)	(588,458)	(539,767)	(487,396)	(562,480)
\$0	\$0	\$0	\$0	\$0	\$0
\$4,189,050	\$4,373,379	\$4,203,271	\$4,152,054	\$3,749,200	\$4,326,769
14.00%	14.00%	14.00%	13.00%	13.00%	13.00%
\$0	\$0	\$0	\$41,521	\$37,492	\$43,268
0	0	0	(41,521)	(37,492)	(43,268)
\$0	\$0	\$0	\$0	\$0	\$0
0.00%	0.00%	0.00%	1.00%	1.00%	1.00%
14.00%	14.00%	14.00%	14.00%	14.00%	14.00%

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Noble Local School District, Ohio
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2021

Net Pension Liability

Changes in Assumptions - SERS

Beginning in fiscal year 2018, an assumption of 2.5 percent was used for COLA or ad Hoc Cola. Prior to 2018, an assumption of 3 percent was used.

Beginning with fiscal year 2017, amounts reported incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in fiscal year 2016 and prior are presented below:

	Fiscal Year 2017	Fiscal Year 2016 and Prior
Wage Inflation	3.00 percent	3.25 percent
Future Salary Increases, including inflation	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
Investment Rate of Return	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation

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

Changes in Assumptions - STRS

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

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

Noble Local School District, Ohio
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2021

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

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

Net OPEB Liability/Asset

Changes in Assumptions - SERS

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

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

Changes in Assumptions - STRS

For fiscal year 2018, the discount rate was increased from 3.26 percent to 4.13 percent based on the methodology defined under GASB *Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB)* and the long term expected rate of return was reduced from 7.75 percent to 7.45 percent. Valuation year per capita health care costs were updated, and the salary scale was modified. The percentage of future retirees electing each option was updated based on current data and the percentage of future disabled retirees and terminated vested participants electing health coverage were decreased. The assumed mortality, disability, retirement, withdrawal and future health care cost trend rates were modified along with the portion of rebated prescription drug costs.

Noble Local School District, Ohio
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2021

For fiscal year 2019, the discount rate was increased from the blended rate of 4.13 percent to the long-term expected rate of return of 7.45 percent.

Changes in Benefit Terms - STRS OPEB

For fiscal year 2018, the subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 2020.

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

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

For fiscal year 2021, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2021 premium based on June 30, 2020 enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2021 from 1.984 percent to 2.055 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2021. The Medicare subsidy percentages were adjusted effective January 1, 2021 to 2.1 percent for the AMA Medicare plan. The Medicare Part B monthly reimbursement elimination date was postponed indefinitely.

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NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2021

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Assistant Listing Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education</i>			
Child Nutrition Cluster			
Non-Cash Assistance (Food Distribution):			
National School Lunch Program	10.555	2021	\$26,994
Cash Assistance:			
School Breakfast Program	10.553	2021	133,236
COVID-19 School Breakfast Program	10.553	2021	24,769
National School Lunch Program	10.555	2021	44,204
COVID-19 National School Lunch Program	10.555	2021	240,230
Cash Assistance Subtotal			<u>442,439</u>
Total Child Nutrition Cluster			<u>469,433</u>
Total U.S. Department of Agriculture			469,433
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Education</i>			
Title I Grants to Local Educational Agencies	84.010	2020	28,582
		2021	142,886
Total Title I Grants to Local Educational Agencies			<u>171,468</u>
Special Education Cluster			
Special Education - Grants to States			
	84.027	2020	24,170
		2021	186,152
Total Special Education - Grants to States			<u>210,322</u>
Special Education - Preschool Grants			
	84.173	2021	4,173
Total Special Education Cluster			214,495
Improving Teacher Quality State Grants			
	84.367	2020	1,308
		2021	27,147
Total Improving Teacher Quality State Grants			<u>28,455</u>
Student Support and Academic Enrichment Program			
	84.424	2020	16,190
		2021	14,314
Total Student Support and Academic Enrichment Program			<u>30,504</u>
Elementary and Secondary Support Emergency Relief (ESSER) Fund	84.425D	2021	<u>227,779</u>
Total U.S. Department of Education			672,701
U.S. DEPARTMENT OF THE TREASURY			
<i>Passed Through Ohio Department of Education</i>			
Coronavirus Relief Fund	21.019	2021	<u>60,199</u>
Total U.S. Department of the Treasury			<u>60,199</u>
Total Expenditures of Federal Awards			<u><u>\$1,202,333</u></u>

The accompanying notes are an integral part of this Schedule.

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**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2021**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Noble Local School District (the School District's) under programs of the federal government for the year ended June 30, 2021. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Government, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F – TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The District transferred the following amounts from 2021 to 2022 programs:

<u>Program Title</u>	<u>CFDA Number</u>	<u>Amount Transferred</u>
Title I Grants to Local Educational Agencies	84.010	\$ 21,981
Supporting Effective Instruction State Grants	84.367	\$ 5,885

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OHIO AUDITOR OF STATE KEITH FABER



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

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

To the Board of Education:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Noble Local School District, Noble County, Ohio (the School District), as of and for the year ended June 30, 2021 and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated June 15, 2022, wherein we noted the financial impact of COVID-19 and the continuing emergency measures which may impact subsequent periods of the School District.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the School District's internal control over financial reporting (internal control) as a basis for designing audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the School District's internal control. Accordingly, we have not opined on it.

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

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

Compliance and Other Matters

As part of reasonably assuring whether the School District's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the financial statements. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

June 15, 2022

OHIO AUDITOR OF STATE KEITH FABER



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

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

To the Board of Education:

Report on Compliance for Each Major Federal Programs

We have audited Noble Local School District's (the School District) compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could directly and materially affect Noble Local School District's major federal programs for the year ended June 30, 2021. The *Summary of Auditor's Results* in the accompanying schedule of findings identifies the School District's major federal programs.

Management's Responsibility

The School District's Management is responsible for complying with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to opine on the School District's compliance for the School District's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). These standards and the Uniform Guidance require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect each major federal program occurred. 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 our audit provides a reasonable basis for our compliance opinion on the School District's major programs. However, our audit does not provide a legal determination of the School District's compliance.

Opinion on the Major Federal Programs

In our opinion, the Noble Local School District complied, in all material respects with the compliance requirements referred to above that could directly and materially affect its major federal programs for the year ended June 30, 2021.

Report on Internal Control Over Compliance

The School District's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the School District's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the School District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

This report only describes the scope of our internal control over compliance tests and the results of this testing based on Uniform Guidance requirements. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

June 15, 2022

**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2021**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list): <ul style="list-style-type: none"> • Child Nutrition Cluster, AL #10.553, #10.555 • Education Stabilization Fund, AL #84.425D 	
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

None.

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None.

OHIO AUDITOR OF STATE KEITH FABER



NOBLE LOCAL SCHOOL DISTRICT

NOBLE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 7/5/2022

88 East Broad Street, Columbus, Ohio 43215
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This report is a matter of public record and is available online at
www.ohioauditor.gov