



**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY**

SINGLE AUDIT

FOR THE FISCAL YEAR ENDED JUNE 30, 2001



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

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

To the Board of Education:

We have audited the accompanying general purpose financial statements of the Noble Local School District, Noble County, Ohio (the School District), as of and for the year ended June 30, 2001, as listed in the table of contents. These general purpose financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

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

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of the Noble Local School District, Noble County, as of June 30, 2001, and the results of its operations and the cash flows of its proprietary fund types and nonexpendable trust fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 10, 2001, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

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

Jim Petro
Auditor of State

December 10, 2001

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Noble Local School District, Ohio
 Combined Balance Sheet
 All Fund Types and Account Groups
 June 30, 2001

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Assets and Other Debits:</u>				
<u>Assets:</u>				
Equity in Pooled Cash and Cash Equivalents	\$1,857,166	\$196,142	\$285,554	\$31,869
Cash and Cash Equivalents with Fiscal Agents	0	0	0	0
<u>Receivables:</u>				
Taxes	2,339,747	49,426	0	0
Accounts	448	0	0	0
Intergovernmental	1,895	84,795	0	0
Due from Other Funds	13,795	0	0	0
Prepaid Items	93,695	5,587	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	37,508	0	0	0
<u>Restricted Assets:</u>				
Cash and Cash Equivalents	33,052	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
<u>Other Debits:</u>				
Amount Available in Debt Service Fund	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
Total Assets and Other Debits	<u><u>\$4,377,306</u></u>	<u><u>\$335,950</u></u>	<u><u>\$285,554</u></u>	<u><u>\$31,869</u></u>

<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Types</u>	<u>Account Groups</u>		<u>Totals (Memorandum Only)</u>
<u>Enterprise</u>	<u>Internal Service</u>	<u>Trust and Agency</u>	<u>General Fixed Assets</u>	<u>General Long-Term Obligations</u>	
\$13,391	\$0	\$72,682	\$0	\$0	\$2,456,804
0	94,603	0	0	0	94,603
0	0	0	0	0	2,389,173
0	0	0	0	0	448
0	0	0	0	0	86,690
0	0	0	0	0	13,795
4,666	0	0	0	0	103,948
3,774	0	0	0	0	3,774
219	0	0	0	0	37,727
0	0	0	0	0	33,052
56,352	0	0	11,613,323	0	11,669,675
0	0	0	0	226,241	226,241
0	0	0	0	2,118,284	2,118,284
<u>\$78,402</u>	<u>\$94,603</u>	<u>\$72,682</u>	<u>\$11,613,323</u>	<u>\$2,344,525</u>	<u>\$19,234,214</u>

(continued)

Noble Local School District, Ohio
 Combined Balance Sheet
 All Fund Types and Account Groups (Continued)
 June 30, 2001

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<u>Liabilities, Fund Equity and Other Credits:</u>				
<u>Liabilities:</u>				
Accounts Payable	\$32,886	\$11,602	\$0	\$0
Accrued Wages and Benefits Payable	721,368	69,999	0	0
Compensated Absences Payable	12,041	0	0	0
Due to Other Funds	0	13,044	0	751
Intergovernmental Payable	105,749	9,038	0	0
Deferred Revenue	2,168,467	48,176	0	0
Due to Students	0	0	0	0
Claims Payable	0	0	0	0
Capital Leases Payable	0	0	0	0
Energy Conservation Loan Payable	0	0	0	0
Tax Refund Payable	0	0	0	0
Total Liabilities	3,040,511	151,859	0	751
<u>Fund Equity and Other Credits:</u>				
<u>Investment in</u>				
General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings (Deficits)	0	0	0	0
<u>Fund Balance:</u>				
Reserved for Encumbrances	141,549	44,652	59,313	25,178
Reserved for Inventory	37,508	0	0	0
Reserved for Unclaimed Monies	590	0	0	0
Reserved for Property Taxes	151,770	930	0	0
Reserved for Budget Stabilization	33,052	0	0	0
Reserved for Endowments	0	0	0	0
<u>Unreserved:</u>				
Designated for Budget Stabilization	95,483	0	0	0
Undesignated	876,843	138,509	226,241	5,940
Total Fund Equity (Deficit) and Other Credits	1,336,795	184,091	285,554	31,118
Total Liabilities, Fund Equity and Other Credits	\$4,377,306	\$335,950	\$285,554	\$31,869

See accompanying notes to the general purpose financial statements

Proprietary Fund Types		Fiduciary Fund Types	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$184	\$0	\$0	\$0	\$0	\$44,672
29,042	0	0	0	0	820,409
17,995	0	0	0	504,150	534,186
0	0	0	0	0	13,795
20,760	0	0	0	53,956	189,503
2,996	0	0	0	0	2,219,639
0	0	32,056	0	0	32,056
0	119,228	0	0	0	119,228
0	0	0	0	1,537,390	1,537,390
0	0	0	0	105,000	105,000
0	0	0	0	144,029	144,029
<u>70,977</u>	<u>119,228</u>	<u>32,056</u>	<u>0</u>	<u>2,344,525</u>	<u>5,759,907</u>
0	0	0	11,613,323	0	11,613,323
132,879	0	0	0	0	132,879
(125,454)	(24,625)	0	0	0	(150,079)
0	0	0	0	0	270,692
0	0	0	0	0	37,508
0	0	0	0	0	590
0	0	0	0	0	152,700
0	0	0	0	0	33,052
0	0	33,500	0	0	33,500
0	0	0	0	0	95,483
0	0	7,126	0	0	1,254,659
<u>7,425</u>	<u>(24,625)</u>	<u>40,626</u>	<u>11,613,323</u>	<u>0</u>	<u>13,474,307</u>
<u>\$78,402</u>	<u>\$94,603</u>	<u>\$72,682</u>	<u>\$11,613,323</u>	<u>\$2,344,525</u>	<u>\$19,234,214</u>

Noble Local School District, Ohio
 Combined Statement of Revenues, Expenditures
 and Changes in Fund Balances
 All Governmental Fund Types and Similar Trust Fund
 For the Fiscal Year Ended June 30, 2001

	General	Governmental Special Revenue
<u>Revenues:</u>		
Taxes	\$1,899,761	\$39,215
Intergovernmental	4,657,804	624,032
Interest	155,636	0
Tuition and Fees	57,368	0
Extracurricular Activities	8,501	76,163
Miscellaneous	54,762	17,922
Total Revenues	<u>6,833,832</u>	<u>757,332</u>
<u>Expenditures:</u>		
Current:		
Instruction:		
Regular	3,214,053	158,672
Special	534,693	255,431
Vocational	164,663	0
Adult/Continuing	135	0
Other	1,863	0
Support Services:		
Pupils	341,876	781
Instructional Staff	225,878	72,856
Board of Education	62,970	1,511
Administration	590,003	63,671
Fiscal	245,836	2,727
Business	4,274	0
Operation and Maintenance of Plant	611,341	18,205
Pupil Transportation	709,738	0
Central	0	4,891
Extracurricular Activities	106,151	82,221
Capital Outlay	48,327	0
Refund of Property Taxes	134,548	6,518
Debt Service:		
Principal Retirement	3,665	0
Interest and Fiscal Charges	195	0
Total Expenditures	<u>7,000,209</u>	<u>667,484</u>
Excess of Revenues Over (Under) Expenditures	<u>(166,377)</u>	<u>89,848</u>
<u>Other Financing Sources (Uses):</u>		
Inception of Capital Lease	25,087	0
Operating Transfers In	0	0
Operating Transfers Out	(267,368)	0
Total Other Financing Sources (Uses)	<u>(242,281)</u>	<u>0</u>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	<u>(408,658)</u>	<u>89,848</u>
Fund Balances at Beginning of Year	1,715,823	94,243
Increase in Reserve for Inventory	<u>29,630</u>	<u>0</u>
Fund Balances at End of Year	<u>\$1,336,795</u>	<u>\$184,091</u>

See accompanying notes to the general purpose financial statements

Fund Types		Fiduciary	Totals
Debt	Capital	Fund Type	(Memorandum
Service	Projects	Expendable	Only)
		Trust	
\$79,501	\$0	\$0	\$2,018,477
12,226	35,044	0	5,329,106
0	0	48	155,684
0	0	0	57,368
0	0	0	84,664
0	0	5,000	77,684
<u>91,727</u>	<u>35,044</u>	<u>5,048</u>	<u>7,722,983</u>
0	0	0	3,372,725
0	0	0	790,124
0	0	0	164,663
0	0	0	135
0	0	0	1,863
0	0	0	342,657
0	0	0	298,734
0	0	0	64,481
0	0	0	653,674
3,734	0	0	252,297
0	0	0	4,274
0	0	0	629,546
0	0	0	709,738
0	0	0	4,891
0	0	0	188,372
0	1,722,009	0	1,770,336
16,552	0	0	157,618
250,000	124,787	0	378,452
15,628	73,656	0	89,479
<u>285,914</u>	<u>1,920,452</u>	<u>0</u>	<u>9,874,059</u>
<u>(194,187)</u>	<u>(1,885,408)</u>	<u>5,048</u>	<u>(2,151,076)</u>
0	1,637,449	0	1,662,536
53,925	198,443	0	252,368
0	0	0	(267,368)
<u>53,925</u>	<u>1,835,892</u>	<u>0</u>	<u>1,647,536</u>
(140,262)	(49,516)	5,048	(503,540)
425,816	80,634	0	2,316,516
<u>0</u>	<u>0</u>	<u>0</u>	<u>29,630</u>
<u>\$285,554</u>	<u>\$31,118</u>	<u>\$5,048</u>	<u>\$1,842,606</u>

Noble Local School District, Ohio
 Combined Statement of Revenues, Expenditures and
 Changes in Fund Balances - Budget and Actual (Budget Basis)
 All Governmental Fund Types and Similar Trust Fund
 For the Fiscal Year Ended June 30, 2001

	General Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Taxes	\$1,690,900	\$1,904,409	\$213,509
Intergovernmental	4,340,685	4,655,909	315,224
Interest	125,000	155,658	30,658
Tuition and Fees	29,230	58,584	29,354
Extracurricular Activities	6,000	8,501	2,501
Miscellaneous	13,100	29,983	16,883
Total Revenues	6,204,915	6,813,044	608,129
<u>Expenditures:</u>			
Current:			
Instruction:			
Regular	3,454,234	3,260,384	193,850
Special	677,037	549,121	127,916
Vocational	180,664	165,907	14,757
Adult/Continuing	4,425	135	4,290
Other	9,345	1,861	7,484
Support Services:			
Pupils	376,380	357,345	19,035
Instructional Staff	257,943	241,025	16,918
Board of Education	81,492	72,637	8,855
Administration	649,556	601,733	47,823
Fiscal	259,727	242,747	16,980
Business	6,500	4,274	2,226
Operation and Maintenance of Plant	716,641	648,655	67,986
Pupil Transportation	841,857	775,370	66,487
Central	0	0	0
Extracurricular Activities	117,323	106,300	11,023
Capital Outlay	80,931	65,586	15,345
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	7,714,055	7,093,080	620,975
Excess of Revenues Over (Under) Expenditures	(1,509,140)	(280,036)	1,229,104
<u>Other Financing Sources (Uses):</u>			
Other Financing Sources	0	0	0
Refund of Prior Year Receipts	(140,443)	(139,548)	895
Refund of Prior Year Expenditures	12,000	37,469	25,469
Operating Transfers In	0	0	0
Operating Transfers Out	(302,368)	(267,368)	35,000
Advances In	0	47,763	47,763
Advances Out	(17,600)	(17,600)	0
Total Other Financing Sources (Uses)	(448,411)	(339,284)	109,127
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(1,957,551)	(619,320)	1,338,231
Fund Balances at Beginning of Year	2,087,846	2,087,846	0
Prior Year Encumbrances Appropriated	246,888	246,888	0
Fund Balances at End of Year	\$377,183	\$1,715,414	\$1,338,231

Special Revenue Funds			Debt Service Fund		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$38,260	\$41,337	\$3,077	\$85,500	\$99,737	\$14,237
634,259	553,051	(81,208)	10,450	12,226	1,776
0	0	0	0	0	0
0	0	0	0	0	0
80,500	76,163	(4,337)	0	0	0
14,000	13,377	(623)	0	0	0
<u>767,019</u>	<u>683,928</u>	<u>(83,091)</u>	<u>95,950</u>	<u>111,963</u>	<u>16,013</u>
252,792	186,089	66,703	0	0	0
326,192	252,439	73,753	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
781	781	0	0	0	0
81,059	71,835	9,224	0	0	0
1,510	1,511	(1)	0	0	0
74,256	62,971	11,285	0	0	0
2,924	2,727	197	64,313	3,734	60,579
0	0	0	0	0	0
23,124	20,629	2,495	0	0	0
0	0	0	0	0	0
6,168	4,891	1,277	0	0	0
106,903	92,949	13,954	0	0	0
0	0	0	0	0	0
0	0	0	309,313	309,313	0
0	0	0	15,638	15,628	10
<u>875,709</u>	<u>696,822</u>	<u>178,887</u>	<u>389,264</u>	<u>328,675</u>	<u>60,589</u>
<u>(108,690)</u>	<u>(12,894)</u>	<u>95,796</u>	<u>(293,314)</u>	<u>(216,712)</u>	<u>76,602</u>
6,980	4,544	(2,436)	0	0	0
(6,533)	(6,531)	2	(17,000)	(16,552)	448
0	0	0	0	0	0
0	0	0	53,925	53,925	0
0	0	0	0	0	0
0	7,600	7,600	0	0	0
0	(7,600)	(7,600)	0	0	0
<u>447</u>	<u>(1,987)</u>	<u>(2,434)</u>	<u>36,925</u>	<u>37,373</u>	<u>448</u>
(108,243)	(14,881)	93,362	(256,389)	(179,339)	77,050
130,136	130,136	0	346,267	346,267	0
26,648	26,648	0	59,313	59,313	0
<u>\$48,541</u>	<u>\$141,903</u>	<u>\$93,362</u>	<u>\$149,191</u>	<u>\$226,241</u>	<u>\$77,050</u>

(continued)

Noble Local School District, Ohio
 Combined Statement of Revenues, Expenditures and
 Changes in Fund Balances - Budget and Actual (Budget Basis)
 All Governmental Fund Types and Similar Trust Fund (Continued)
 For the Fiscal Year Ended June 30, 2001

	<u>Capital Projects Funds</u>		
	<u>Revised Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<u>Revenues:</u>			
Taxes	\$0	\$0	\$0
Intergovernmental	30,044	35,044	5,000
Interest	0	0	0
Tuition and Fees	0	0	0
Extracurricular Activities	0	0	0
Miscellaneous	0	0	0
Total Revenues	30,044	35,044	5,000
<u>Expenditures:</u>			
<u>Current:</u>			
<u>Instruction:</u>			
Regular	85,149	83,987	1,162
Special	0	0	0
Vocational	0	0	0
Adult/Continuing	0	0	0
Other	0	0	0
<u>Support Services:</u>			
Pupils	0	0	0
Instructional Staff	0	0	0
Board of Education	0	0	0
Administration	0	0	0
Fiscal	0	0	0
Business	0	0	0
Operation and Maintenance of Plant	0	0	0
Pupil Transportation	0	0	0
Central	0	0	0
Extracurricular Activities	0	0	0
Capital Outlay	225,698	225,698	0
<u>Debt Service:</u>			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
Total Expenditures	310,847	309,685	1,162
Excess of Revenues Over (Under) Expenditures	(280,803)	(274,641)	6,162
<u>Other Financing Sources (Uses):</u>			
Other Financing Sources	0	0	0
Refund of Prior Year Receipts	0	0	0
Refund of Prior Year Expenditures	0	0	0
Operating Transfers In	198,443	198,443	0
Operating Transfers Out	0	0	0
Advances In	0	0	0
Advances Out	0	0	0
Total Other Financing Sources (Uses)	198,443	198,443	0
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(82,360)	(76,198)	6,162
Fund Balances at Beginning of Year	80,634	80,634	0
Prior Year Encumbrances Appropriated	2,255	2,255	0
Fund Balances at End of Year	\$529	\$6,691	\$6,162

See accompanying notes to the general purpose financial statements

Expendable Trust Fund			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$1,814,660	\$2,045,483	\$230,823
0	0	0	5,015,438	5,256,230	240,792
0	48	48	125,000	155,706	30,706
0	0	0	29,230	58,584	29,354
0	0	0	86,500	84,664	(1,836)
0	5,000	5,000	27,100	48,360	21,260
0	5,048	5,048	7,097,928	7,649,027	551,099
0	0	0	3,792,175	3,530,460	261,715
0	0	0	1,003,229	801,560	201,669
0	0	0	180,664	165,907	14,757
0	0	0	4,425	135	4,290
0	0	0	9,345	1,861	7,484
0	0	0	377,161	358,126	19,035
0	0	0	339,002	312,860	26,142
0	0	0	83,002	74,148	8,854
0	0	0	723,812	664,704	59,108
0	0	0	326,964	249,208	77,756
0	0	0	6,500	4,274	2,226
0	0	0	739,765	669,284	70,481
0	0	0	841,857	775,370	66,487
0	0	0	6,168	4,891	1,277
0	0	0	224,226	199,249	24,977
0	0	0	306,629	291,284	15,345
0	0	0	309,313	309,313	0
0	0	0	15,638	15,628	10
0	0	0	9,289,875	8,428,262	861,613
0	5,048	5,048	(2,191,947)	(779,235)	1,412,712
0	0	0	6,980	4,544	(2,436)
0	0	0	(163,976)	(162,631)	1,345
0	0	0	12,000	37,469	25,469
0	0	0	252,368	252,368	0
0	0	0	(302,368)	(267,368)	35,000
0	0	0	0	55,363	55,363
0	0	0	(17,600)	(25,200)	(7,600)
0	0	0	(212,596)	(105,455)	107,141
0	5,048	5,048	(2,404,543)	(884,690)	1,519,853
0	0	0	2,644,883	2,644,883	0
0	0	0	335,104	335,104	0
\$0	\$5,048	\$5,048	\$575,444	\$2,095,297	\$1,519,853

Noble Local School District, Ohio
 Combined Statement of Revenues,
 Expenses and Changes in Fund Equity
 All Proprietary Fund Types and Similar Trust Fund
 For the Fiscal Year Ended June 30, 2001

	Proprietary Fund Types		Fiduciary Fund Type	Totals
	Enterprise	Internal Service	Non-Expendable Trust	(Memorandum Only)
<u>Operating Revenues:</u>				
Sales	\$237,269	\$0	\$0	\$237,269
Charges for Services	0	833,520	0	833,520
Interest	0	0	1,697	1,697
Contribution	0	0	7,500	7,500
Other Revenues	0	98,596	0	98,596
Total Operating Revenues	237,269	932,116	9,197	1,178,582
<u>Operating Expenses:</u>				
Salaries	113,880	0	0	113,880
Fringe Benefits	78,853	0	0	78,853
Purchased Services	2,200	116,798	0	118,998
Materials and Supplies	14,894	0	0	14,894
Cost of Sales	179,078	0	0	179,078
Scholarship	0	0	1,700	1,700
Depreciation	8,906	0	0	8,906
Claims	0	726,908	0	726,908
Total Operating Expenses	397,811	843,706	1,700	1,243,217
Operating Income (Loss)	(160,542)	88,410	7,497	(64,635)
<u>Non-Operating Revenues:</u>				
Federal Donated Commodities	26,676	0	0	26,676
Interest	147	4,394	0	4,541
Operating Grants	96,969	0	0	96,969
Total Non-Operating Revenues	123,792	4,394	0	128,186
Income (Loss) before Operating Transfers	(36,750)	92,804	7,497	63,551
Operating Transfers In	15,000	0	0	15,000
Net Income (Loss)	(21,750)	92,804	7,497	78,551
Retained Earnings (Deficit)/Fund Balance at Beginning of Year	(103,704)	(117,429)	28,081	(193,052)
Retained Earnings (Deficit)/Fund Balance at End of Year	(125,454)	(24,625)	35,578	(114,501)
Contributed Capital at Beginning and End of Year	132,879	0	0	132,879
Total Fund Equity (Deficit) at End of Year	\$7,425	(\$24,625)	\$35,578	\$18,378

See accompanying notes to the general purpose financial statements

Noble Local School District, Ohio
 Combined Statement of Revenues, Expenses and
 Changes in Fund Equity - Budget and Actual (Budget Basis)
 All Proprietary Fund Types and Similar Trust Fund
 For the Fiscal Year Ended June 30, 2001

	Enterprise Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	\$244,350	\$237,479	(\$6,871)
Charges for Services	0	0	0
Interest	600	147	(453)
Other Revenues	500	0	(500)
Refund of Prior Year Expense	0	0	0
Operating Grants	107,000	106,599	(401)
Total Revenues	<u>352,450</u>	<u>344,225</u>	<u>(8,225)</u>
<u>Expenses:</u>			
Salaries	117,900	117,052	848
Fringe Benefits	74,104	73,247	857
Purchased Services	2,956	2,052	904
Materials and Supplies	169,087	167,206	1,881
Scholarship	0	0	0
Total Expenses	<u>364,047</u>	<u>359,557</u>	<u>4,490</u>
Excess of Revenues Over (Under) Expenses	(11,597)	(15,332)	(3,735)
Transfers In	0	15,000	15,000
Advances In	0	10,000	10,000
Advances Out	0	(10,000)	(10,000)
Excess of Revenues Over (Under) Expenses, Operating Transfers and Advances	(11,597)	(332)	11,265
Fund Equity at Beginning of Year	12,142	12,142	0
Prior Year Encumbrances Appropriated	197	197	0
Fund Equity at End of Year	<u>\$742</u>	<u>\$12,007</u>	<u>\$11,265</u>

(continued)

Noble Local School District, Ohio
 Combined Statement of Revenues, Expenses and
 Changes in Fund Equity - Budget and Actual (Budget Basis)
 All Proprietary Fund Types and Similar Trust Fund (Continued)
 For the Fiscal Year Ended June 30, 2001

	Internal Service Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<u>Revenues:</u>			
Sales	\$0	\$0	\$0
Charges for Services	826,000	833,520	7,520
Interest	5,000	4,394	(606)
Other Revenues	1,000	841	(159)
Refund of Prior Year Expense	20,000	97,755	77,755
Operating Grants	0	0	0
Total Revenues	852,000	936,510	84,510
<u>Expenses:</u>			
Salaries	0	0	0
Fringe Benefits	0	0	0
Purchased Services	851,000	811,744	39,256
Materials and Supplies	0	0	0
Scholarship	0	0	0
Total Expenses	851,000	811,744	39,256
Excess of Revenues Over (Under) Expenses	1,000	124,766	123,766
Transfers In	0	0	0
Advances In	0	0	0
Advances Out	0	(30,163)	(30,163)
Excess of Revenues Over (Under) Expenses, Operating Transfers and Advances	1,000	94,603	93,603
Fund Equity at Beginning of Year	0	0	0
Prior Year Encumbrances Appropriated	0	0	0
Fund Equity at End of Year	\$1,000	\$94,603	\$93,603

See accompanying notes to the general purpose financial statements

Non-Expendable Trust Fund			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$244,350	\$237,479	(\$6,871)
0	0	0	826,000	833,520	7,520
1,500	1,697	197	7,100	6,238	(862)
0	7,500	7,500	1,500	8,341	6,841
0	0	0	20,000	97,755	77,755
0	0	0	107,000	106,599	(401)
<u>1,500</u>	<u>9,197</u>	<u>7,697</u>	<u>1,205,950</u>	<u>1,289,932</u>	<u>83,982</u>
0	0	0	117,900	117,052	848
0	0	0	74,104	73,247	857
0	0	0	853,956	813,796	40,160
0	0	0	169,087	167,206	1,881
<u>1,955</u>	<u>1,700</u>	<u>255</u>	<u>1,955</u>	<u>1,700</u>	<u>255</u>
<u>1,955</u>	<u>1,700</u>	<u>255</u>	<u>1,217,002</u>	<u>1,173,001</u>	<u>44,001</u>
(455)	7,497	7,952	(11,052)	116,931	127,983
0	0	0	0	15,000	15,000
0	0	0	0	10,000	10,000
0	0	0	0	(40,163)	(40,163)
(455)	7,497	7,952	(11,052)	101,768	112,820
28,081	28,081	0	40,223	40,223	0
0	0	0	197	197	0
<u>\$27,626</u>	<u>\$35,578</u>	<u>\$7,952</u>	<u>\$29,368</u>	<u>\$142,188</u>	<u>\$112,820</u>

Noble Local School District, Ohio
 Combined Statement of Cash Flows
 All Proprietary Fund Types and Similar Trust Fund
 For the Fiscal Year Ended June 30, 2001

	<u>Proprietary Fund Types</u>		<u>Fiduciary Fund Type</u>	Totals (Memorandum Only)
	<u>Enterprise</u>	<u>Internal Service</u>	<u>Non- Expendable Trust</u>	
<u>Increase (Decrease) in Cash and Cash Equivalents:</u>				
<u>Cash Flows from Operating Activities:</u>				
Cash Received from Customers	\$237,479	\$0	\$0	\$237,479
Cash Received from				
Quasi-External Transactions with Other Funds	0	833,520	0	833,520
Cash Received from Contributions	0	0	7,500	7,500
Other Operating Revenues	0	98,596	0	98,596
Cash Payments to Suppliers for Goods and Services	(167,874)	(116,798)	0	(284,672)
Cash Payments for Employee Services	(117,052)	0	0	(117,052)
Cash Payments for Employee Benefits	(73,247)	0	0	(73,247)
Cash Payments for Scholarships	0	0	(1,700)	(1,700)
Cash Payments for Claims	0	(694,946)	0	(694,946)
Net Cash Provided by (Used for) Operating Activities	<u>(120,694)</u>	<u>120,372</u>	<u>5,800</u>	<u>5,478</u>
<u>Cash Flows from Noncapital Financing Activities:</u>				
Operating Transfers In	15,000	0	0	15,000
Advances In	10,000	0	0	10,000
Advances Out	(10,000)	(30,163)	0	(40,163)
Operating Grants Received	106,599	0	0	106,599
Net Cash Provided by (Used for) Noncapital Financing Activities	<u>121,599</u>	<u>(30,163)</u>	<u>0</u>	<u>91,436</u>
<u>Cash Flows from Investing Activities:</u>				
Interest	147	4,394	1,697	6,238
Net Increase in Cash and Cash Equivalents	1,052	94,603	7,497	103,152
Cash and Cash Equivalents at Beginning of Year	<u>12,339</u>	<u>0</u>	<u>28,081</u>	<u>40,420</u>
Cash and Cash Equivalents at End of Year	<u>\$13,391</u>	<u>\$94,603</u>	<u>\$35,578</u>	<u>\$143,572</u>
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u>				
Operating Income (Loss)	<u>(\$160,542)</u>	<u>\$88,410</u>	<u>\$7,497</u>	<u>(\$64,635)</u>
<u>Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities:</u>				
Depreciation	8,906	0	0	8,906
Interest Income	0	0	(1,697)	(1,697)
Donated Commodities Used During Year	26,676	0	0	26,676
<u>Changes in Assets and Liabilities:</u>				
Decrease in Accounts Receivable	210	0	0	210
Increase in Prepaid Items	(766)	0	0	(766)
Decrease in Inventory Held for Resale	538	0	0	538
Decrease in Materials and Supplies Inventory	182	0	0	182
Increase in Accounts Payable	184	0	0	184
Increase in Accrued Wages and Benefits Payable	1,778	0	0	1,778
Decrease in Compensated Absences Payable	(3,418)	0	0	(3,418)
Increase in Intergovernmental Payable	5,558	0	0	5,558
Increase in Claims Payable	0	31,962	0	31,962
Total Adjustments	<u>39,848</u>	<u>31,962</u>	<u>(1,697)</u>	<u>70,113</u>
Net Cash Provided by (Used for) Operating Activities	<u>(\$120,694)</u>	<u>\$120,372</u>	<u>\$5,800</u>	<u>\$5,478</u>
<u>Reconciliation:</u>				
Cash and Cash Equivalents - All Fiduciary Funds		\$72,682		
Cash and Cash Equivalents - Agency Fund and Expendable Trust Fund		<u>(37,104)</u>		
Cash and Cash Equivalents - Non-Expendable Trust Fund		<u>\$35,578</u>		

See accompanying notes to the general purpose financial statements

Noble Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

Note 1 - Description of the School District and Reporting Entity

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

The School District operates under a locally-elected five-member Board form of government and provides educational services as mandated by State and/or federal agencies. This Board of Education controls the School District's two instructional/support facilities staffed by 55 classified and 86 certified full time teaching personnel who provide 1,311 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 insure that the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards, and agencies that are not legally separate from the School District. For Noble Local School District, this includes general operations, food service, and student related activities of the School District.

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

The School District participates in the Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA), the Mid-East Ohio Joint Vocational School District, and the Coalition of Rural and Appalachian Schools, which are defined as jointly governed organizations; the Ohio School Boards Association Workers' Compensation Group Rating Plan, which is defined as a group insurance purchasing pool; and the Ohio Mid-Eastern Regional Educational Service Agency (OME-RESA) Self-Insurance Plan, which is defined as a claims servicing pool. These organizations are presented in Notes 18, 19, and 20 to the general purpose financial statements.

Note 2 - Summary of Significant Accounting Policies

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

Noble Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

A. Basis of Presentation - Fund Accounting

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

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

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

Governmental Fund Types:

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

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

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

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

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

Proprietary Fund Types:

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

Noble Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

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

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

Fiduciary Fund Types:

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

Account Groups:

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

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

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

B. Measurement Focus and Basis of Accounting

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

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

Noble Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

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

The modified accrual basis of accounting is followed for the governmental, expendable trust, and agency funds. The full accrual basis of accounting is followed for the proprietary and non-expendable trust funds.

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 with sixty day of fiscal year end.

Non-exchange transactions, in which the School District receives value without directly giving equal value in return, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which taxes are levied. (See Note 7.) Revenue from grants 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 fiscal 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 non-exchange 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, interest, tuition, grants, student fees, and rentals.

Deferred revenue arises when assets are recognized before revenue recognition criteria have been satisfied.

Property taxes for which there is an enforceable legal claim as of June 30, 2001, but which were levied to finance fiscal year 2002 operations, have been recorded as deferred revenue. On a modified accrual basis of accounting, receivables that will not be collected within the available period have also been reported as deferred revenue.

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

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund types and the non-expendable trust fund. Revenues are recognized in the accounting period which they are earned, and expenses are recognized at the time they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

Noble Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

C. Budgetary Process

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriations resolution are subject to amendment throughout the fiscal year with the legal restriction that appropriations cannot exceed estimated resources, as certified.

All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education.

Tax Budget:

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

Estimated Resources:

Prior to April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the County Budget Commission and receives the commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing fiscal year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding fiscal year. The certificate may be further amended during the fiscal year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2001.

Appropriations:

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

Noble Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

budgetary integration is employed as a management control device during the fiscal year for all funds other than agency funds, consistent with statutory provisions.

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

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

D. Cash and Cash Equivalents

To improve cash management, cash received by the School District is pooled. Monies for all funds, including proprietary funds, are maintained in this pool. Individual fund integrity is maintained through School District records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the balance sheet.

STAROhio is an investment pool managed by the State Treasurer's Office which allows governments within the State to pool their funds for investment purposes. STAROhio is not registered with the SEC as an investment company, but does operate in a manner consistent with rule 2a7 of the Investment Company Act of 1940. Investments in STAROhio are valued at STAROhio's share price which is the price the investment could be sold for at June 30, 2001.

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 2001 amounted to \$155,636, which includes \$44,936 assigned from other School District funds.

The School District has a segregated bank account for its self insurance internal service fund with OMERESA, a claims servicing pool. This account is presented in the combined balance sheet as "cash and cash equivalents with fiscal agents".

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, investments of the cash management pool and investments with an original maturity of three months or less at the time they are purchased by the School District are considered to be cash equivalents.

E. Restricted Assets

Restricted assets in the General Fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include amounts required by statute to be set-aside by the School District for the creation of a reserve for budget stabilization. See Note 22 for additional information regarding set-asides.

Noble Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

F. Inventory

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

G. Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2001, 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.

H. Fixed Assets and Depreciation

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

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

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

I. Interfund Assets/Liabilities

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the balance sheet.

J. Compensated Absences

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

Noble Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employees' wage rates at fiscal year end, taking into consideration any limits specified in the School District's termination policy. The School District records a liability for accumulated unused sick leave for all employees with at least twenty years of service.

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

K. Accrued Liabilities and Long-term Obligations

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, claims and judgments, compensated absences, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current available expendable financial resources. Payments made more than sixty days after fiscal year end are generally considered not to have been made with current available financial resources. Capital leases and long-term loans are recognized as a liability of the general long-term obligations account group until due or until resources have been accumulated in the fund for payment early in the following year.

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

L. Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

Non-recurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

M. Fund Balance Reserves and Designations

The School District reserves those portions of fund equity which are legally segregated for specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, inventory, unclaimed monies, endowments, property taxes, and budget stabilization.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and

Noble Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

expenditures. The reserve for endowment represents contributions to non-expendable trust funds that must be kept intact.

The School District had a fund balance designation on the balance sheet for additional money set-aside by the Board of Education above the statutory requirement for budget stabilization.

N. Estimates

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

O. Contributed Capital

Contributed capital represents resources from other funds provided to proprietary funds that is not subject to repayment. These assets are recorded at their fair market value on the date donated. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at fiscal year end.

Because the School District did not prepare financial statements in accordance with generally accepted accounting principles prior to fiscal year 1997, the exact amount of contributed capital cannot be determined. Consequently, only those amounts that have been specifically identified have been classified as contributed capital in the accompanying combined financial statements. All other fund equity amounts pertaining to proprietary funds have been classified as retained earnings. There was no change in contributed capital during fiscal year 2001.

P. Totals Columns on General Purpose Financial Statements

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

Note 3 - Changes in Accounting Principles

For fiscal year 2001, the School District has implemented GASB Statement No. 33, "Accounting and Financial Reporting for Non-exchange Transactions" and GASB Statement No. 36, "Reporting for Certain Shared Non-exchange Revenues." The implementation of GASB Statements 33 and 36 did not have an effect on fund balance at June 30, 2000.

Note 4 - Accountability

At June 30, 2001, the Professional Development Block Grant and Disadvantaged Pupil Impact Aid Special Revenue Funds had deficit fund balances of \$10 and \$90, respectively, which were created by the application of generally accepted accounting principles. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Noble Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

The Food Service Enterprise Fund and Self-Insurance Internal Service Fund had deficit retained earnings of \$125,687 and \$24,625, respectively, at June 30, 2001. The deficits are the result of accumulated losses. The School District is analyzing fund operations to determine appropriate steps to alleviate the deficits.

Note 5 - Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis), All Governmental Fund Types and Similar Trust Fund and the Combined Statement of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Budget Basis) - All Proprietary Fund Types and Similar Trust Fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosures in the proprietary fund type (GAAP basis).
4. For proprietary funds, the acquisition and construction of capital assets are reported on the operating statement (budget basis) rather than as balance sheet transactions (GAAP basis).
5. Advances In and Advances Out are operating transactions (budget) as opposed to balance sheet transactions (GAAP).
6. The School District repays short-term note debt from the debt service fund (budget basis) as opposed to the fund that received the proceeds (GAAP basis). Debt service fund resources used to pay both principal and interest have been allocated accordingly.

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

Noble Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

Excess of Revenues and Other Financing Sources
Over (Under) Expenditures and Other Financing Use
All Governmental Fund Types and Similar Trust Fund

	General	Special Revenue	Debt Service	Capital Projects	Expendable Trust
GAAP Basis	(\$408,658)	\$89,848	(\$140,262)	(\$49,516)	\$5,048
Net Adjustment for Revenue Accruals	16,703	(68,860)	20,236	0	0
Unreported Items	(22)	0	0	0	0
Advances In	47,763	7,600	0	0	0
Net Adjustment for Expenditure Accruals	(96,336)	17,796	0	(1,504)	0
Prepaid Items	13,529	574	0	0	0
Advances Out	(17,600)	(7,600)	0	0	0
Encumbrances	(174,699)	(54,239)	(59,313)	(25,178)	0
Budget Basis	(\$619,320)	(\$14,881)	(\$179,339)	(\$76,198)	\$5,048

Net Income (Loss)/Excess of Revenues
Over (Under) Expenses, Operating Transfers and Advances
All Proprietary Fund Types and Similar Trust Fund

	Enterprise	Internal Service	Non-Expendable Trust
GAAP Basis	(\$21,750)	\$92,804	\$7,497
Net Adjustment for Revenue Accruals	9,840	0	0
Advances In	10,000	0	0
Net Adjustment for Expense Accruals	3,290	31,962	0
Depreciation Expense	8,906	0	0
Prepaid Items	766	0	0
Advances Out	(10,000)	(30,163)	0
Encumbrances	(1,384)	0	0
Budget Basis	(\$332)	\$94,603	\$7,497

Note 6 - Deposits and Investments

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

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

Noble Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

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

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

Protection of 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, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution. Interim monies to be deposited or invested in the following securities:

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

Noble Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

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 until 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.

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

Deposits At fiscal year end, the carrying amount of the School District's deposits was \$320,310 and the bank balance was \$361,113. Of the bank balance:

1. \$100,000 was covered by federal depository insurance; and
2. \$261,113 was uninsured and uncollateralized. Although the securities serving as collateral were held by the pledging financial institution's trust department or agent in the School District's name and all State statutory requirements for the deposit of money have been followed, noncompliance with federal requirements could potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

Investments The School District's investments are required to be categorized to give an indication of the level of risk assumed by the School District at fiscal year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counter party's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name. STAROhio is an unclassified investment since it is not evidenced by securities that exist in physical or book entry form. The fair value is \$2,264,044.

The classification of cash and cash equivalents and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9. A reconciliation between the classifications of cash and investments on the combined financial statements and the classification per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
<i>GASB Statement 9</i>	\$2,584,459	\$0
Undeposited Cash	(105)	0
Investment in STAROhio	(2,264,044)	2,264,044
<i>GASB Statement 3</i>	\$320,310	\$2,264,044

Noble Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

At June 30, 2001, the School District's internal service fund had a balance of \$94,603 with OME-RESA, a jointly governed organization (See Note 18). The money is held by the claims servicer in a pooled account which is representative of numerous entities and therefore cannot be classified by risk under GASB Statement 3. The classification of cash and cash equivalents and investments for the OME-RESA Self-Insurance Plan as a whole may be obtained from the Plan's fiscal agent, the Jefferson County Educational Service Center. To obtain financial information, write to the Ohio Mid Eastern Regional Educational Service Agency Self-Insurance Plan, Debra Angelo, who serves as Treasurer, Steubenville, Ohio 43952.

Note 7 - Property Taxes

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

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the School District. Property tax revenue received during calendar 2001 for real and public utility property taxes represents collections of calendar 2000 taxes. Property tax payments received during calendar 2001 for tangible personal property (other than public utility property) is for calendar 2001 taxes.

2001 real property taxes are levied after April 1, 2001, on the assessed value as of January 1, 2001, the lien date. Assessed values are established by State law at thirty-five percent of appraised market value. First half 2001 real property taxes are collected in and intended to finance fiscal year 2002.

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at thirty-five percent of true value. 2001 public utility property taxes became a lien December 31, 2000, are levied after April 1, 2001 and are collected in 2002 with real property taxes.

2001 tangible personal property taxes are levied after April 1, 2000, on the value as of December 31, 2000. Collections are made in 2001. Tangible personal property assessments are twenty-five percent of true value.

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

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

The assessed values upon which the fiscal year 2001 taxes were collected are:

	2000 Second Half Collections		2001 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential And Other Real Estate	\$52,084,160	66.95%	\$53,613,580	66.50%
Public Utility Personal	24,594,870	31.62	25,376,260	31.47
Tangible Personal	1,112,050	1.43	1,639,430	2.03
	<u>\$77,791,080</u>	<u>100.00%</u>	<u>\$80,629,270</u>	<u>100.00%</u>

Noble Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

Tax Rate per \$1,000 of assessed valuation \$37.20 \$32.00

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which became measurable as of June 30, 2001, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 were levied to finance current fiscal year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current fiscal year operations. The amount available as an advance at June 30, 2001, was \$152,700. \$151,770 was available to the General Fund, and \$930 was available to the Classroom Facility Special Revenue Fund.

Note 8 - Receivables

Receivables at June 30, 2001, consisted of property taxes, accounts (billings for user charged services, and tuition and fees), and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds.

A summary of the principal items of intergovernmental receivables follows:

	Amounts
<i>General Fund:</i>	
E-rate Grant	\$1,895
<i>Special Revenue Funds:</i>	
Martha Holden Jennings	1,450
Eisenhower Grant	817
Title VI-B	8,686
Title I	68,527
Miscellaneous Federal Grants	5,315
<i>Total Special Revenue Funds</i>	84,795
<i>Total All Funds</i>	\$86,690

Note 9 - Fixed Assets

A summary of the Proprietary Funds' fixed assets at June 30, 2001, follows:

	Enterprise Fund
Furniture Fixtures and Equipment	\$193,175
Less: Accumulated Depreciation	(136,823)
Net Fixed Assets	\$56,352

Noble Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

A summary of the changes in general fixed assets during fiscal year 2001 follows:

	Balance 06/30/00	Additions	Deletions	Balance 06/30/01
Land and Improvements	\$530,818	\$0	\$0	\$530,818
Buildings	6,146,477	1,687,446	0	7,833,923
Furniture and Equipment	1,794,958	158,496	76,853	1,876,601
Vehicles	1,408,092	161,824	197,935	1,371,981
Total	<u>\$9,880,345</u>	<u>\$2,007,766</u>	<u>\$274,788</u>	<u>\$11,613,323</u>

Note 10 - Risk Management

A. Property and Liability

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2001, the School District contracted with Westfield Insurance Company for property insurance and Hartford Insurance Company for boiler and machinery coverage. These policies include a \$500 deductible.

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

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

B. Workers' Compensation

For fiscal year 2001, the School District participated in the Ohio School Board Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 19). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Total savings are then calculated and each participant's individual performance is compared to the overall savings percentage of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund". This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

Noble Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

C. Employee Medical and Life Benefits

Medical/surgical, dental, life, and vision insurance is offered to employees through a self-insurance internal service fund. The School District is a member of a claims servicing pool in which monthly premiums are paid to the fiscal agent who in turn pays the claims on the School District's behalf. The claims liability of \$119,228 reported in the internal service fund at June 30, 2001, is based on an estimate due to the application of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claim costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by the increased claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses. Changes in claims activity for the fiscal year is as follows:

	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
2000	\$96,174	\$767,260	\$776,168	\$87,266
2001	87,266	726,908	694,946	119,228

Note 11 - Defined Benefit Pension Plans

A. School Employees Retirement System

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

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2001, 4.2 percent of annual covered salary was the portion used to fund pension obligations. For fiscal year 2000, 5.5 percent was used to fund the pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2001, 2000, and 1999, were \$31,507, \$48,279, and \$64,767, respectively; 30.67 percent has been contributed for fiscal year 2001 and 100 percent for fiscal years 2000 and 1999. \$21,844 representing the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds and the general long-term obligations account group.

Noble Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

B. State Teachers Retirement System

The School District participates in the School Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides basic retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3771.

For the fiscal year ended June 30, 2001, plan members are required to contribute 9.3 percent of their annual covered salaries. The School District is required to contribute 14 percent; 9.5 percent was the portion used to fund pension obligations. For fiscal year 2000, the portion used to fund pension obligations was 6 percent. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2001, 2000, and 1999, were \$198,446, \$202,770, and \$192,294, respectively; 87.36 percent has been contributed for fiscal year 2001, and 100 percent for fiscal years 2000 and 1999. \$25,089 represents the unpaid contribution for fiscal year 2001, is recorded as a liability within the respective funds.

C. Social Security System

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2001, there are no employees who have elected Social Security.

Note 12 - Postemployment Benefits

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

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care cost will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2001, the STRS Board allocated employer contributions equal to 4.5 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$264,594 for fiscal year 2001.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 2000, (the latest information available) the balance in the Fund was \$3.419 billion. For the year ended June 30, 2000, net health care costs paid by STRS were \$283,137,000 and STRS had 99,011 eligible benefit recipients.

Noble Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

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

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2001, employer contributions to fund health care benefits were 9.8 percent of covered payroll, an increase of 1.3 percent for fiscal year 2001. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, pro-rated for partial service credit. For fiscal year 2001, the minimum pay has been established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2001 fiscal year equaled \$94,606.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of annual health care expenses. Expenses for health care at June 30, 2000, (the latest information available), were \$140,696,340 and the target level was \$211.0 million. At June 30, 2000, SERS had net assets available for payment of health care benefits of \$252.3 million. SERS has approximately 50,000 participants receiving health care benefits.

Note 13 - 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. Accumulated, unused vacation time is paid to classified employees upon termination of employment. Teachers do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. Sick leave may be accumulated up to the number of annual work days per contract plus ninety, not to exceed 240 days. Upon retirement, payment is made for one-fourth of the total sick leave accumulation, up to a maximum payment of 50 days for classified employees and 50 days for teachers and administrators. For all days remaining beyond the maximum, classified employees are paid \$12 per day while teachers and administrators are paid at the rate of one day for every ten unused sick leave days at the regular rate of pay.

Note 14 - Capital Leases

In the prior and the current fiscal year, the School District entered into capitalized leases for copiers. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases" which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the general purpose financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

General fixed assets consisting of equipment has been capitalized in the general fixed assets account group in the amount of \$1,675,048. This amount represents the present value of the minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long term obligations account group. Principal payments in fiscal year 2001 totaled \$128,452.

Noble Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

<u>Year</u>	
2002	\$224,117
2003	224,117
2004	224,117
2005	224,117
2006-2010	<u>1,096,820</u>
Total Minimum Lease Payments	1,993,288
Less: Amount Representing Interest	<u>(455,898)</u>
Present Value of minimum lease payments	<u><u>\$1,537,390</u></u>

Note 15 - Long-Term Obligations

Changes in long-term obligations of the School District during fiscal year 2001 were as follows:

	Principal Outstanding 6/30/00	Additions	Deductions	Principal Outstanding 6/30/01
General Obligation Bonds:				
1989 General Obligation Bonds 6.50%	\$205,000	\$0	\$205,000	\$0
Other Long Term Obligations:				
1993 Energy Conservation Loan 5.95%	150,000	0	45,000	105,000
Compensated Absences	398,380	174,612	68,842	504,150
Pension Obligation	55,244	53,956	55,244	53,956
Taxes Refund	301,647	0	157,618	144,029
Capital Leases	3,306	1,662,536	128,452	1,537,390
Total General Long-Term Obligations				
<i>Obligations</i>	<u>\$1,113,577</u>	<u>\$1,891,104</u>	<u>\$660,156</u>	<u>\$2,344,525</u>

The energy conservation loan was originally issued for \$433,249. The loan was issued to install energy conservation measures throughout the School District.

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

The capital lease will be paid from the General Fund. Compensated absences and the pension obligation will be paid from the fund from which the employees salaries are paid.

The School District's overall legal debt margin at June 30, 2001, was \$7,482,875, with an unvoted debt margin of \$80,629. Principal and interest requirements to retire the loans and tax refund outstanding at June 30, 2001, are as follows:

Noble Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

Fiscal Year Ending June 30,	Principal	Interest	Total
2002	\$194,029	\$6,248	\$200,277
2003	55,000	3,272	58,272
Total	\$249,029	\$9,520	\$258,549

Note 16 - Interfund Activity

As of June 30, 2001, there was a due to/due from other funds for \$13,795. This amount was owed to the General Fund from the Martha Holden Jennings, the Summer Intervention, and the Eisenhower Grant Special Revenue Funds, and the Schoolnet Capital Projects Fund for \$1,034, \$11,193, \$817, and \$751, respectively.

Note 17 - Segment Information for Enterprise Funds

The School District maintains two enterprise funds to account for the operations of food service and uniform school supplies. The table below reflects the more significant financial data relating to the enterprise funds of the Noble Local School District as of and for the fiscal year ended June 30, 2001.

	Food Service	Uniform School Supplies	Total Enterprise Funds
Operating Revenues	\$236,863	\$406	\$237,269
Depreciation Expense	8,906	0	8,906
Operating Loss	(160,542)	0	(160,542)
Donated Commodities	26,676	0	26,676
Operating Grants	96,969	0	96,969
Operating Transfers In	15,000	0	15,000
Net Loss	(21,750)	0	(21,750)
Net Working Capital	(31,165)	233	(30,932)
Total Assets	78,169	233	78,402
Long-Term Liabilities Paid from Fund Revenues	17,995	0	17,995
Total Equity	7,192	233	7,425
Encumbrances (Budget basis)	1,384	0	1,384

Noble Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

Note 18 - Jointly Governed Organizations

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

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

Coalition of Rural and Appalachian Schools - The Coalition of Rural and Appalachian Schools is a jointly governed organization including over 100 hundred school districts in southeastern Ohio. The Coalition is operated by a board which is composed of fourteen members. The board members are composed of one superintendent from each county elected by the school districts within that county. The Coalition provides various in-service for school district administrative personnel; gathers of data regarding conditions of education 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.

Note 19 - Insurance Purchasing Pool

The School District participates in the Ohio School Boards' Association (OSBA) Workers' Compensation Group Rating Program (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 OSBA. The Director of OSBA, or his designee, serves as coordinator of the program. Each year, the participating school district pay an enrollment fee to the GRP to cover the costs of administering the program.

Note 20 - Claims Servicing Pool

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

Noble Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

Note 21 - State School Funding Decision

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

- ▶ A change in the school districts that are used as the basis for determining the base cost support amount. Any change in the amount of funds distributed to school districts as a result of this change must be retroactive to July 1, 2001, although a time line for distribution is not specified.
- ▶ Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. However, as of December 10, 2001, the Ohio General Assembly is still analyzing the impact this Supreme Court decision will have on funding for individual school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision changing the school districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

On November 2, 2001, the Court granted this motion for reconsideration. The Court may re-examine and redetermine any issue upon such reconsideration.

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

Note 22 - Set-Aside Calculations

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

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

Noble Local School District
Notes to the General Purpose Financial Statements
For the Fiscal Year Ended June 30, 2001

	Textbooks	Capital Improvements	Budget Stabilization
Set-aside reserve balance as of June 30, 2000	(\$36,663)	\$0	\$79,251
Reduction in Budget Stabilization based on Statutory Revision	0	0	(46,199)
Current year set-aside requirement	137,590	137,590	0
Qualifying Disbursements	<u>(215,728)</u>	<u>(241,162)</u>	<u>0</u>
Totals	<u>(\$114,801)</u>	<u>(\$103,572)</u>	<u>\$33,052</u>
Set-aside Balance Carried Forward to Future Fiscal Years	<u>(\$114,801)</u>	<u>\$0</u>	<u>\$0</u>
Set-aside Reserve Balance as of June 30, 2001	<u>\$0</u>	<u>\$0</u>	<u>\$33,052</u>

The School District had qualifying disbursements during the fiscal year that reduced the textbook set-aside amount below zero. This extra amount may be used to reduce the set-aside requirement of future years. Although the School District had qualifying disbursements during the fiscal year that reduced the set-aside amount to below zero for the capital acquisition set-aside, this amount may not be used to reduce the set-aside requirement of future years. This negative balance is therefore not presented as being carried forward to future years.

Note 23 - Contingencies

A. Grants

The School District receives financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2001.

B. Litigation

The Noble Local School District is currently not party to any legal proceedings.

**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY**

**SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE YEAR ENDED JUNE 30, 2001**

<u>FEDERAL GRANTOR/ Pass Through Grantor Program Title</u>	<u>Pass Through Entity Number</u>	<u>Federal CFDA Number</u>	<u>Receipts</u>	<u>Noncash Receipts</u>	<u>Disbursements</u>	<u>Noncash Disbursements</u>
<u>U.S. DEPARTMENT OF AGRICULTURE</u>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program	N/A	10.550	\$	\$28,038	\$	\$26,676
National School Lunch Program	048900-03-PU-00/01	10.555	101,556		101,556	
Total U.S. Department of Agriculture - Nutrition Cluster			101,556	28,038	101,556	26,676
<u>U.S. DEPARTMENT OF EDUCATION</u>						
<i>Passed Through Ohio Department of Education:</i>						
Special Education Cluster:						
Special Education Grants to States (IDEA Part B)	048900-6B-SF-00P 048900-6B-SF-01P	84.027 84.027	3,045 75,723		8,941 68,582	
Total Special Education Grants to States			78,768		77,523	
Special Education - Preschool Grant	048900-PG-S1-01P	84.173	8,400		8,400	
Total Special Education Cluster			87,168		85,923	
Grants to Local Educational Agencies (ESEA Title I)	048900-C1-S1-00 048900-C1-S1-01 048900-C1-S1-00C	84.010 84.010 84.010	(8,068) 230,889 18,588		51,226 217,636 18,588	
Total Grants to Local Educational Agencies			241,409		287,450	
Innovative Educational Program Strategies (Title VI)	048900-C2-S1-00 048900-C2-S1-01 048900-C2-S1-00C	84.298 84.298 84.298	6,400		1,061 3,380 166	
Total Innovative Educational Program			6,400		4,607	
Drug-Free Schools Grant	048900-DR-S1-01	84.186	5,362		764	
Dwight D. Eisenhower Professional Development Program (Title II)	048900-MS-S1-00 048900-MS-S1-01	84.164 84.164	7,355		566 216	
Total Dwight D. Eisenhower Professional Development Program			7,355		782	
Continuous Improvement Implementation Program	048900-G2-S2-00 048900-62-S2-01	84.276 84.276	14,000 13,000		2,325	
Total Continuous Improvement Implementation Program			27,000		2,325	
Class Size Reduction Grant Title VI-R	048900-CR-S1-00 048900-CR-S1-01	84.340 84.340	5,287 45,135		10,778 37,887	
Total Class Size Reduction Grant			50,422		48,665	
Total U.S. Department of Education			425,116		430,516	
Total Federal Awards Receipts and Expenditures			526,672	28,038	532,072	26,676

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

**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES
FOR THE FISCAL YEAR ENDED JUNE 30, 2001**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B - FOOD DISTRIBUTION

Nonmonetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2001, the School District had no significant food commodities in inventory.



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

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

To the Board of Education:

We have audited the general purpose financial statements of Noble Local School District, Noble County, Ohio (the School District), as of and for the year ended June 30, 2001, and have issued our report thereon dated December 10, 2001. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the School District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the School District in a separate letter dated December 10, 2001.

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

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

Jim Petro
Auditor of State

December 10, 2001



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

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

To the Board of Education:

Compliance

We have audited the compliance of Noble Local School District, Noble County, Ohio (the School District), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal program for the year ended June 30, 2001. The School District's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

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

In our opinion, the School District complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended June 30, 2001.

Internal Control Over Compliance

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

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

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

Jim Petro
Auditor of State

December 10, 2001

**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
JUNE 30, 2001**

1. SUMMARY OF AUDITOR'S RESULTS
--

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

**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
JUNE 30, 2001
(Continued)**

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

The audit of Noble Local School District, Noble County, for the year ending June 30, 2001, contained no findings related to the financial statements required to be reported in accordance with GAGAS.

3. FINDINGS FOR FEDERAL AWARDS

The audit of Noble Local School District, Noble County, for the year ending June 30, 2001, contained no findings for federal awards.



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NOBLE LOCAL SCHOOL DISTRICT

NOBLE COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JANUARY 15, 2002**