



Mary Taylor, CPA
Auditor of State

**FINANCIAL CONDITION
NOBLE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Management's Discussion and Analysis.....	3
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets	11
Statement of Activities.....	12
Fund Financial Statements:	
Balance Sheet – Governmental Funds	13
Statement of Revenues, Expenditures and Changes in Fund Balances–Governmental Funds ...	14
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP Basis) and Actual:	
General Fund.....	16
Job and Family Services Fund	17
Motor Vehicle and Gasoline Tax Fund	18
Mental Retardation and Developmental Disabilities Fund	19
Statement of Fiduciary Assets and Liabilities – Agency Funds	20
Notes to the Basic Financial Statements	21
Schedule of Federal Awards Expenditures.....	51
Notes to the Schedule of Federal Awards Expenditures	53
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	55
Independent Accountants' Report on Compliance with Requirements Applicable to Each Major Federal Program and On Internal Control Over Compliance in Accordance with OMB Circular A-133	57
Schedule of Findings - <i>OMB Circular A-133, § .505</i>	59
Schedule of Prior Audit Findings - <i>OMB Circular A-133, § .315(b)</i>	60

This page intentionally left blank.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Noble County
200 Courthouse Square
Caldwell, Ohio 43724

To the Board of County Commissioners:

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Noble County, Ohio (the County), as of and for the year ended December 31, 2008, which collectively comprise the County's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the County's management. Our responsibility is to express opinions on these 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Noble County, Ohio, as of December 31, 2008, and the respective changes in financial position, thereof and the respective budgetary comparisons for the General, Job and Family Services, Motor Vehicle and Gasoline Tax and Mental Retardation and Developmental Disabilities Funds 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 August 12, 2009, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Management's Discussion and Analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

We conducted our audit to opine on the financial statements that collectively comprise the County's basic financial statements. The Schedule of Federal Awards Expenditure is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. We subjected the Schedule of Federal Awards Expenditure to the auditing procedures applied in the audit of the basic financial statements. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

August 12, 2009

**Financial Condition
Noble County
Management's Discussion and Analysis
For the Year Ended December 31, 2008**

Management's Discussion and Analysis (MD&A) provides the reader with a narrative and analysis of the County of Noble, Ohio's (the County) financial activities for the year ended December 31, 2008. The intent of this discussion and analysis is to look at the County's financial performance as a whole. The MD&A should be read in conjunction with the basic financial statements and notes to the basic financial statements to enhance their understanding of the County's financial performance.

Financial Highlights

Key financial highlights for fiscal year 2008 are as follows:

- Net assets of governmental activities increased \$289,508 as a result of this year's operations. This change represents a one percent increase from 2007.
- General revenues accounted for \$3,765,533 in revenue or 29 percent of all revenues. Program specific revenues in the form of charges for services, grants, contributions, and interest accounted for \$9,266,718 or 71 percent of total revenues of \$13,032,251.
- Total assets of governmental activities increased by \$65,127. Total liabilities of governmental activities decreased by \$224,381. These minimal changes are net of combinations of increases and decreases in various types of assets and liabilities and is described in more detail in the government-wide financial analysis.
- The County had \$12,742,743 in expenses related to governmental activities; \$9,266,718 of these expenses were offset by program specific charges for services, grants, contributions, or interest. General revenues, primarily property taxes of \$1,704,299, were adequate to provide for these programs, leaving a net change of \$289,508 for 2008.

Using this Annual Financial Report

This annual report consists of a series of financial statements and notes to those statements. These statements are organized so the reader can understand Noble County as a financial whole, an entire operating entity. The statements then proceed to present a detailed outline of specific activities.

The *Statement of Net Assets* and *Statement of Activities* provide information about the activities of the whole County, presenting both an aggregate view of the County's finances and a longer-term view of those finances.

Fund financial statements provide the next level of detail. For governmental funds, these statements tell how services were financed in the short-term as well as what remains for future spending. Fund financial statements also report County's operations in more detail than the government-wide statements by providing information about the County's most financially significant funds.

**Financial Condition
Noble County
Management's Discussion and Analysis
For the Year Ended December 31, 2008**

Government-Wide Financial Statements

Statement of Net Assets and the Statement of Activities

Our analysis of the County as a whole begins on page 11. While these documents contain the large number of funds used by the County to provide programs and activities, the view of the County as a whole looks at all financial transactions and asks the question, "How did we do financially during 2008?" The Statement of Net Assets and the Statement of Activities answer this question. These statements include all *assets* and *liabilities* using the *accrual basis of accounting* similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year's revenues and expenses regardless of when cash is received or paid.

These two statements report the County's *net assets* and changes in those assets. This change in net assets is important because it tells the reader that, for the County as a whole, the *financial position* of the County has improved or diminished. The causes of this change may be the result of many factors, some financial, some not. Non-financial factors include the County's property tax base, current property tax laws in Ohio restricting revenue growth, facility conditions, required county programs and other factors.

In the Statement of Net Assets and the Statement of Activities, all of Noble County's activities are presented as Governmental Activities including general government, public safety, public works, health, human services, economic development and assistance, and debt service activities. Noble County does not operate any Business-Type Activities and has no Component Units.

Reporting Noble County's Most Significant Funds

Fund Financial Statements

The basic governmental fund financial statements begin on page 13. Fund financial reports provide detailed information about the most significant funds, not the County as a whole. The County uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the County's most significant funds. The County's major governmental funds include the General Fund and the Job and Family Services, Motor Vehicle and Gasoline Tax, and Mental Retardation and Developmental Disabilities Special Revenue Funds.

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

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

**Financial Condition
Noble County
Management's Discussion and Analysis
For the Year Ended December 31, 2008**

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

Government-Wide Financial Analysis

Recall that the Statement of Net Assets provides the perspective of the County as a whole. Table 1 provides a summary of the County's net assets for 2008 compared to 2007:

Table 1
Net Assets

	Governmental Activities	
	2008	2007
Assets		
Current and Other Assets	\$9,028,204	\$9,650,467
Capital Assets	24,160,574	23,473,184
Total Assets	33,188,778	33,123,651
Liabilities		
Long-Term Liabilities	(1,294,536)	(1,275,099)
Other Liabilities	(2,347,902)	(2,591,720)
Total Liabilities	(3,642,438)	(3,866,819)
Net Assets		
Invested in Capital Assets, Net of Related Debt	23,292,524	22,625,360
Restricted	5,296,610	5,754,935
Unrestricted	957,206	876,537
Total Net Assets	\$29,546,340	\$29,256,832

The County's net assets are reflected in three categories, Invested in Capital Assets, Net of Related Debt, Restricted, and Unrestricted. The largest portion of the County's net assets (78.8 percent) reflects its investment in capital assets, (e.g., land, construction in progress, buildings and improvements, machinery, equipment, furniture and fixtures, vehicles, and infrastructure), net of related debt. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investments in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to pay these liabilities. The restricted portion of the County's net assets (17.9 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of net assets is unrestricted net assets (3.3 percent) may be used to meet the County's ongoing obligations to its citizens and creditors.

Current and other assets decreased from 2007 by \$622,263. Part of this is a decrease in cash and cash equivalents of \$502,970. The increase in expenses relating to the public safety and public works programs within the County are the primary reasons for this decrease in cash and cash equivalents. Also, the phase-out of personal property taxes contributes to overall decrease. Capital assets increased from the prior year as a result of asset additions exceeding current year depreciation by \$757,092. Liabilities decreased by \$224,381

**Financial Condition
Noble County
Management's Discussion and Analysis
For the Year Ended December 31, 2008**

from 2007 resulting from a decrease in the amount the County owed to other governments and also amounts the County owed for outstanding contracts. The County decreased the outstanding balance of its long-term general obligation bonds by \$100,000. Offsetting this decrease was the addition of \$138,311 to the County's outstanding OWDA loan.

The minimal change in net assets of \$289,508 is the result of the above changes in assets and liabilities.

Table 2 shows the changes in net assets for 2008, compared to the changes in net assets for 2007.

Table 2
Change in Net Assets

	Governmental Activities	
	2008	2007
Revenues:		
Program Revenues		
Charges for Services	\$1,745,758	\$1,529,559
Operating Grants, Contributions and Interest	6,855,944	7,048,844
Capital Grants and Contributions	665,016	200,041
Total Program Revenues	<u>9,266,718</u>	<u>8,778,444</u>
General Revenues		
Property Taxes	1,704,299	1,845,169
Sales Taxes	1,047,565	1,056,970
Intergovernmental	363,616	363,619
Investment Earnings	239,339	257,190
Miscellaneous	410,714	394,872
Total General Revenues	<u>3,765,533</u>	<u>3,917,820</u>
Total Revenues	<u>13,032,251</u>	<u>12,696,264</u>
Program Expenses		
General Government		
Legislative and Executive	1,783,132	1,694,620
Judicial	436,162	429,567
Public Safety	1,356,695	1,216,886
Public Works	3,983,637	3,720,121
Health	879,938	898,045
Human Services	3,735,760	3,750,550
Economic Development and Assistance	266,188	367,010
Economic Development and Assistance - External Portion	250,000	125,000
Interest and Fiscal Charges	51,231	53,341
Total Expenses	<u>12,742,743</u>	<u>12,255,140</u>
Change in Net Assets	289,508	441,124
Net Assets Beginning of Year	<u>29,256,832</u>	<u>28,815,708</u>
Net Assets End of Year	<u>\$29,546,340</u>	<u>\$29,256,832</u>

**Financial Condition
Noble County
Management's Discussion and Analysis
For the Year Ended December 31, 2008**

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

Our County, which is dependent upon property taxes is hampered by a lack of revenue growth and must periodically return to the voters to maintain a constant level of service. The last successful levy renewal/passage was passed during the November 2007 election. Property and sales taxes made up 21 percent of revenues for governmental activities for Noble County in fiscal year 2008.

The largest Governmental Activities program expense is public works, which comprises 31.2 percent of expenses. An external portion program increase of \$125,000 is due to increased expenses of the Cooperative Extension Service. The economic development and assistance program showed a decrease in the amount of \$100,822 primarily due to the Community Development Block Grant program year grant ending. The public works program showed an increase of expenses of \$263,516, mainly as a result of maintenance expenses not being capitalized as fixed assets and budget increases. Interest expense during fiscal year 2008 was \$51,231 and was attributable to the outstanding bonds for jail construction, a capital lease for the purchase of equipment, and an OWDA loan.

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

	Total Cost of Services <u>2008</u>	Net Cost (Revenue) of Services <u>2008</u>	Total Cost of Services <u>2007</u>	Net Cost (Revenue) of Services <u>2007</u>
General Government				
Legislative and Executive	\$1,783,132	\$1,144,561	\$1,694,620	\$1,120,830
Judicial	436,162	258,661	429,567	213,789
Public Safety	1,356,695	611,125	1,216,886	723,457
Public Works	3,983,637	(13,812)	3,720,121	62,631
Health	879,938	548,705	898,045	543,148
Human Services	3,735,760	608,670	3,750,550	671,260
Economic Development and Assistance	516,188	266,884	492,010	88,240
Interest and Fiscal Charges	51,231	51,231	53,341	53,341
Total Expenses	<u>\$12,742,743</u>	<u>\$3,476,025</u>	<u>\$12,255,140</u>	<u>\$3,476,696</u>

Operating grants, contributions, and interest (74 percent) are the primary source of program revenues, whereas property taxes (45.2 percent) are the primary source of general revenues. The County's dependence upon tax revenues for the shortfall in program revenues is apparent.

**Financial Condition
Noble County
Management's Discussion and Analysis
For the Year Ended December 31, 2008**

The County's Funds

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

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unreserved fund balance of the General Fund was \$991,168 with a total fund balance of \$1,015,602. Unreserved fund balance represents 34.6% of expenditures, an increase of one-half of one percent from 2007. This is one measurement of the General Fund's liquidity. The fund balance of the General Fund increased by \$42,378, as compared to an increase of \$264,110 in 2007. This minimal change shows the County's intent on matching expenditures with current revenue streams.

The Job and Family Services Special Revenue Fund balance increased by \$17,006. This minimal change shows the County's intent on matching expenditures with current revenue streams.

The Motor Vehicle and Gasoline Tax Special Revenue Fund balance decreased by \$302,208 from 2007. This decrease is primarily the result of expenditures for maintenance on capital assets instead of capitalization.

The Mental Retardation and Developmental Disabilities Special Revenue Fund balance decreased by \$1,948. This minimal change reflects this fund's commitment to match expenditures with current year revenue streams.

General Fund Budgeting Highlights

The County's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances.

During the course of fiscal year 2008 the County amended its General Fund budget numerous times, although none were significant.

For the General Fund, final budget basis revenue estimates increased \$3,083 from original budget estimates of \$2,810,870. Actual revenues were \$265,770 higher than final budgeted revenues. This difference was primarily due to conservative sales taxes and investment income estimates.

The County's General Fund ending unobligated cash balance was \$505,496 above the final budgeted amount.

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2008, the County had \$24,160,574 invested in land, construction in progress, buildings and improvements, machinery, equipment, furniture and fixtures, vehicles, and infrastructure from governmental activities. Table 4 shows fiscal year 2008 balances compared to 2007 after accumulated depreciation of \$7,818,753 and \$7,368,246, respectively:

**Financial Condition
Noble County
Management's Discussion and Analysis
For the Year Ended December 31, 2008**

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities	
	2008	2007
Land	\$794,086	\$687,086
Construction in Progress	643,302	140,213
Gravel Roads/Bases	12,530,356	12,530,356
Buildings and Improvements	2,834,664	2,915,518
Machinery, Equipment, Furniture and Fixtures	1,079,159	1,020,196
Vehicles	232,004	291,623
Infrastructure	6,047,003	5,888,192
Total Capital Assets	\$24,160,574	\$23,473,184

The primary increase in capital assets resulted from \$1,521,639 in capital asset additions offset by \$764,547 in accumulated depreciation coupled with book value deletions of \$69,702. See Note 11 for more detailed information of the County's capital assets.

Debt

At December 31, 2008 the County had \$868,050 in outstanding long-term debt with \$102,887 due within one year. Table 5 outlines the long-term debt held by the County during 2008 and 2007.

Table 5
Long-Term Debt

	Governmental Activities	
	2008	2007
General Obligation Bonds	\$700,000	\$800,000
Promissory Note	0	2,793
Capital Leases	11,612	14,404
OWDA Loan	156,438	30,627
Total Long-Term Debt	\$868,050	\$847,824

The 1996 Jail Construction Bonds were originally issued in the amount of \$2,000,000 for the purpose of constructing a jail facility. The debt is being retired through the Jail Bond Retirement Debt Service Fund by a levy passed in May, 1996. For 2008 the debt for the Promissory Note which was originally issued in the amount of \$25,324 was retired. The capital lease was issued during 2007 in the amount of \$14,860 for the purchase of equipment to be used for emergency management purposes. See Note 18 for more detailed information on the County's debt. In addition to the above debt, the County is presenting a long-term liability for compensated absences.

The County obtained an OWDA loan in January 2007 for the planning and design of the Belle Valley sanitary sewer project. The loan approved amount was \$250,000 plus accrued interest during construction. During 2008 the County drew down \$138,311.

**Financial Condition
Noble County
Management's Discussion and Analysis
For the Year Ended December 31, 2008**

Contacting the County's Financial Management

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

Noble County, Ohio
Statement of Net Assets
December 31, 2008

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$4,243,492
Cash and Cash Equivalents in Segregated Accounts	277
Cash and Cash Equivalents with Fiscal Agents	264,608
Materials and Supplies Inventory	233,291
Accrued Interest Receivable	12,986
Accounts Receivable	25,252
Prepaid Items	38,429
Sales Taxes Receivable	160,667
Property Taxes Receivable	1,961,480
Intergovernmental Receivable	2,042,236
Loans Receivable	45,486
Non-Depreciable Capital Assets	13,967,744
Depreciable Capital Assets, Net	10,192,830
<i>Total Assets</i>	33,188,778
Liabilities	
Matured Compensated Absences Payable	16,506
Accrued Wages and Benefits	222,123
Intergovernmental Payable	227,440
Accounts Payable	144,625
Contracts Payable	65,980
Retainage Payable	4,965
Accrued Interest Payable	3,403
Deferred Revenue	1,662,860
Long-Term Liabilities:	
Due Within One Year	255,840
Due In More Than One Year	1,038,696
<i>Total Liabilities</i>	3,642,438
Net Assets	
Invested in Capital Assets, Net of Related Debt	23,292,524
Restricted for:	
Capital Projects	117,598
Debt Service	248,770
Motor Vehicle Registration	2,130,161
Mental Retardation and Developmental Disabilities	779,925
Other Purposes	2,020,156
Unrestricted	957,206
<i>Total Net Assets</i>	\$29,546,340

See accompanying notes to the basic financial statements

Noble County, Ohio
Statement of Activities
For the Year Ended December 31, 2008

	Program Revenues			Net (Expense) Revenue and Change in Net Assets	
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants and Contributions	Governmental Activities
Governmental Activities:					
General Government:					
Legislative and Executive	\$1,783,132	\$612,028	\$26,543	\$0	(\$1,144,561)
Judicial	436,162	151,142	26,359	0	(258,661)
Public Safety	1,356,695	368,840	376,730	0	(611,125)
Public Works	3,983,637	61,244	3,271,189	665,016	13,812
Health	879,938	81,758	249,475	0	(548,705)
Human Services	3,735,760	470,746	2,656,344	0	(608,670)
Economic Development and Assistance	266,188	0	218,155	0	(48,033)
Economic Development and Assistance - External Portion	250,000	0	31,149	0	(218,851)
Interest and Fiscal Charges	51,231	0	0	0	(51,231)
<i>Total Governmental Activities</i>	<u>\$ 12,742,743</u>	<u>\$ 1,745,758</u>	<u>\$ 6,855,944</u>	<u>\$ 665,016</u>	<u>(3,476,025)</u>
			General Revenues		
			Property Taxes Levied for General Purposes		740,799
			Property Taxes Levied for:		
			Public Works		54,130
			Health		527,002
			Human Services		297,714
			Debt Service		84,654
			Sales Taxes Levied for General Purposes		1,047,565
			Grants and Entitlements not Restricted to Specific Programs		363,616
			Investment Earnings		239,339
			Miscellaneous		410,714
			<i>Total General Revenues</i>		<u>3,765,533</u>
			<i>Change in Net Assets</i>		289,508
			Net Assets Beginning of Year		<u>29,256,832</u>
			<i>Net Assets End of Year</i>		<u>\$29,546,340</u>

See accompanying notes to the basic financial statements

**Noble County, Ohio
Balance Sheet
Governmental Funds
December 31, 2008**

	General	Job and Family Services	Motor Vehicle and Gasoline Tax	Mental Retardation and Developmental Disabilities	Other Governmental Funds	Total Governmental Funds
Assets						
Equity in Pooled Cash and Cash Equivalents	\$854,204	\$139,156	\$628,421	\$436,591	\$2,178,236	\$4,236,608
Cash and Cash Equivalents in Segregated Accounts	0	0	0	0	277	277
Cash and Cash Equivalents with Fiscal Agents	0	0	0	264,608	0	264,608
Sales Tax Receivable	160,667	0	0	0	0	160,667
Materials and Supplies Inventory	24,098	7,300	198,638	900	2,355	233,291
Accounts Receivable	14,803	410	0	0	10,039	25,252
Intergovernmental Receivable	203,251	72,480	1,568,202	34,794	163,509	2,042,236
Interfund Receivable	144,270	0	0	0	0	144,270
Prepaid Items	4,525	6,044	2,013	18,611	7,236	38,429
Accrued Interest Receivable	11,390	0	1,531	0	65	12,986
Property Taxes Receivable	645,800	0	0	336,682	978,998	1,961,480
Loans Receivable	0	0	0	0	45,486	45,486
Restricted Cash and Cash Equivalents	6,884	0	0	0	0	6,884
<i>Total Assets</i>	<u>\$2,069,892</u>	<u>\$225,390</u>	<u>\$2,398,805</u>	<u>\$1,092,186</u>	<u>\$3,386,201</u>	<u>\$9,172,474</u>
 Liabilities and Fund Balances						
Liabilities						
Accounts Payable	\$21,847	\$45,402	\$56,963	\$128	\$20,285	\$144,625
Accrued Wages Payable	62,503	66,596	58,424	9,979	24,621	222,123
Contracts Payable	6,945	28,612	0	516	29,907	65,980
Retainage Payable	0	0	0	0	4,965	4,965
Interfund Payable	0	85,947	0	0	58,323	144,270
Intergovernmental Payable	48,911	117,389	31,385	6,185	23,570	227,440
Deferred Revenue	914,084	410	1,053,997	362,485	1,092,361	3,423,337
Matured Compensated Absences Payable	0	16,506	0	0	0	16,506
<i>Total Liabilities</i>	<u>1,054,290</u>	<u>360,862</u>	<u>1,200,769</u>	<u>379,293</u>	<u>1,254,032</u>	<u>4,249,246</u>
 Fund Balances						
Reserved for Encumbrances	17,550	3,337	50,158	1,020	6,663	78,728
Reserved for Unclaimed Monies	6,884	0	0	0	0	6,884
Reserved for Loans Receivable	0	0	0	0	35,779	35,779
Unreserved:						
Undesignated, Reported in:						
General Fund	991,168	0	0	0	0	991,168
Special Revenue Funds (Deficit)	0	(138,809)	1,147,878	711,873	1,760,862	3,481,804
Debt Service Funds	0	0	0	0	230,188	230,188
Capital Projects Funds	0	0	0	0	98,677	98,677
<i>Total Fund Balances(Deficit)</i>	<u>1,015,602</u>	<u>(135,472)</u>	<u>1,198,036</u>	<u>712,893</u>	<u>2,132,169</u>	<u>4,923,228</u>
<i>Total Liabilities and Fund Balances</i>	<u>\$2,069,892</u>	<u>\$225,390</u>	<u>\$2,398,805</u>	<u>\$1,092,186</u>	<u>\$3,386,201</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds. 24,160,574

Other long-term assets are not available to pay for current-period expenditures and, therefore, deferred in the funds:

Property Taxes Receivable	298,620	
Interfund Receivable	126,246	
Accounts Receivable	410	
Grants	1,335,201	
Total Other Long-Term Assets		1,760,477

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

General Obligation Bonds	(700,000)	
Compensated Absences	(426,486)	
Capital Leases Payable	(11,612)	
OWDA Loan Payable	(156,438)	
Accrued Interest Payable	(3,403)	
Total Long-Term Liabilities		(1,297,939)

Net Assets of Governmental Activities \$29,546,340

Noble County, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2008

	General	Job and Family Services	Motor Vehicle and Gasoline Tax	Mental Retardation and Developmental Disabilities	Other Governmental Funds	Total Governmental Funds
Revenues						
Property Taxes	\$555,034	\$0	\$0	\$277,790	\$854,251	\$1,687,075
Sales Taxes	1,047,565	0	0	0	0	1,047,565
Charges for Services	597,751	433,348	0	41,791	582,743	1,655,633
Licenses and Permits	823	0	0	0	343	1,166
Fines and Forfeitures	53,862	0	8,291	0	0	62,153
Intergovernmental	391,252	2,132,925	3,260,274	199,746	1,906,090	7,890,287
Interest	239,339	0	37,179	5,220	1,487	283,225
Rent	11,925	0	0	250	0	12,175
Contributions and Donations	0	600	0	823	0	1,423
Other	161,019	68,724	133,037	107	23,614	386,501
<i>Total Revenues</i>	<u>3,058,570</u>	<u>2,635,597</u>	<u>3,438,781</u>	<u>525,727</u>	<u>3,368,528</u>	<u>13,027,203</u>
Expenditures						
Current:						
General Government:						
Legislative and Executive	1,437,768	0	0	0	257,089	1,694,857
Judicial	382,744	0	0	0	38,234	420,978
Public Safety	905,290	0	0	0	370,605	1,275,895
Public Works	0	0	3,672,450	0	117,712	3,790,162
Health	10,380	0	0	527,910	326,127	864,417
Human Services	119,811	2,656,403	0	0	942,151	3,718,365
Economic Development and Assistance	0	0	0	0	266,188	266,188
Capital Outlay	0	0	68,539	0	1,030,525	1,099,064
Intergovernmental	0	0	0	0	250,000	250,000
Debt Service:						
Principal Retirement	2,793	0	0	0	115,292	118,085
Interest and Fiscal Charges	38	0	0	0	51,647	51,685
<i>Total Expenditures</i>	<u>2,858,824</u>	<u>2,656,403</u>	<u>3,740,989</u>	<u>527,910</u>	<u>3,765,570</u>	<u>13,549,696</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>199,746</u>	<u>(20,806)</u>	<u>(302,208)</u>	<u>(2,183)</u>	<u>(397,042)</u>	<u>(522,493)</u>
Other Financing Sources (Use)						
Proceeds of Loans	0	0	0	0	138,311	138,311
Proceeds from the Sale of Capital Assets	0	0	0	235	0	235
Transfers In	0	37,812	0	0	119,556	157,368
Transfers Out	(157,368)	0	0	0	0	(157,368)
<i>Total Other Financing Sources (Use)</i>	<u>(157,368)</u>	<u>37,812</u>	<u>0</u>	<u>235</u>	<u>257,867</u>	<u>138,546</u>
<i>Net Change in Fund Balances</i>	42,378	17,006	(302,208)	(1,948)	(139,175)	(383,947)
Fund Balances (Deficit) at Beginning of Year	973,224	(152,478)	1,500,244	714,841	2,271,344	5,307,175
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$1,015,602</u>	<u>(\$135,472)</u>	<u>\$1,198,036</u>	<u>\$712,893</u>	<u>\$2,132,169</u>	<u>\$4,923,228</u>

See accompanying notes to the basic financial statements

Noble County, Ohio
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended December 31, 2008

Net Change in Fund Balances - Governmental Funds (\$383,947)

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

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

Capital Asset Additions	1,521,639	
Current Year Depreciation	(764,547)	
Total	757,092	757,092

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

Loss on disposal of capital assets	(69,467)	
Proceeds from disposal of capital assets	(235)	
Total	(69,702)	(69,702)

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

Property Taxes	17,224	
Charges for Services	14,631	
Miscellaneous	24,213	
Intergovernmental	(51,020)	
Total	5,048	5,048

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Assets:

General Obligation Bonds	100,000	
OWDA Loan Payable	12,500	
Capital Leases	2,792	
Long-Term Notes	2,793	
Total	118,085	118,085

Proceeds of loans is reported as an other financing source, but the issuance increases long-term liabilities on the statement of net assets. (138,311)

Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of activities. 454

Expenses reported in the statement of activities relating to compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. 789

Change in Net Assets of Governmental Activities \$289,508

See accompanying notes to the basic financial statements

Noble County, Ohio
Statement of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		Actual	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		<u>(Negative)</u>
Revenues				
Property Taxes	\$555,730	\$555,730	\$569,955	\$14,225
Sales Taxes	894,230	894,230	1,055,290	161,060
Charges for Services	618,520	618,520	593,289	(25,231)
Licenses and Permits	660	660	823	163
Fines and Forfeitures	49,930	49,930	53,861	3,931
Intergovernmental	399,980	403,063	396,926	(6,137)
Interest	155,000	155,000	241,014	86,014
Rent	12,300	12,300	11,875	(425)
Other	124,520	124,520	156,690	32,170
<i>Total Revenues</i>	<u>2,810,870</u>	<u>2,813,953</u>	<u>3,079,723</u>	<u>265,770</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	1,578,561	1,540,664	1,423,026	117,638
Judicial	464,506	466,040	399,731	66,309
Public Safety	916,744	924,799	899,719	25,080
Public Works	1,000	1,000	0	1,000
Health	28,189	28,189	10,390	17,799
Human Services	121,998	121,998	121,099	899
Debt Service:				
Principal Retirement	2,793	2,793	2,793	0
Interest and Fiscal Charges	38	38	38	0
<i>Total Expenditures</i>	<u>3,113,829</u>	<u>3,085,521</u>	<u>2,856,796</u>	<u>228,725</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(302,959)</u>	<u>(271,568)</u>	<u>222,927</u>	<u>494,495</u>
Other Financing Source (Uses)				
Advances In	0	0	9,210	9,210
Advances Out	0	0	(9,600)	(9,600)
Transfers Out	(137,368)	(168,759)	(157,368)	11,391
<i>Total Other Financing Source (Uses)</i>	<u>(137,368)</u>	<u>(168,759)</u>	<u>(157,758)</u>	<u>11,001</u>
<i>Net Change in Fund Balance</i>	(440,327)	(440,327)	65,169	505,496
Fund Balance at Beginning of Year	705,632	705,632	705,632	0
Prior Year Encumbrances Appropriated	35,455	35,455	35,455	0
<i>Fund Balance at End of Year</i>	<u>\$300,760</u>	<u>\$300,760</u>	<u>\$806,256</u>	<u>\$505,496</u>

See accompanying notes to the basic financial statements

Noble County, Ohio
Statement of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Job and Family Services Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$490,770	\$624,029	\$433,348	(\$190,681)
Intergovernmental	2,121,152	2,414,480	2,118,277	(296,203)
Contributions and Donations	0	1,000	600	(400)
Other	100,172	100,172	72,711	(27,461)
<i>Total Revenues</i>	<u>2,712,094</u>	<u>3,139,681</u>	<u>2,624,936</u>	<u>(514,745)</u>
Expenditures				
Current:				
Human Services	<u>3,040,549</u>	<u>3,468,136</u>	<u>2,838,204</u>	<u>629,932</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(328,455)</u>	<u>(328,455)</u>	<u>(213,268)</u>	<u>115,187</u>
Other Financing Source				
Transfers In	<u>37,812</u>	<u>37,812</u>	<u>37,812</u>	<u>0</u>
<i>Net Change in Fund Balance</i>	(290,643)	(290,643)	(175,456)	115,187
Fund Balance at Beginning of Year	216,170	216,170	216,170	0
Prior Year Encumbrances Appropriated	<u>74,473</u>	<u>74,473</u>	<u>74,473</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$115,187</u></u>	<u><u>\$115,187</u></u>

See accompanying notes to the basic financial statements

Noble County, Ohio
Statement of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Motor Vehicle and Gasoline Tax Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$8,450	\$8,450	\$8,290	(\$160)
Intergovernmental	3,273,000	3,273,000	3,281,955	8,955
Interest	51,520	51,520	38,293	(13,227)
Other	85,030	85,030	133,037	48,007
<i>Total Revenues</i>	<u>3,418,000</u>	<u>3,418,000</u>	<u>3,461,575</u>	<u>43,575</u>
Expenditures				
Current:				
Public Works	4,277,803	4,277,803	3,799,040	478,763
Capital Outlay	68,539	68,539	68,539	0
<i>Total Expenditures</i>	<u>4,346,342</u>	<u>4,346,342</u>	<u>3,867,579</u>	<u>478,763</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(928,342)</u>	<u>(928,342)</u>	<u>(406,004)</u>	<u>522,338</u>
<i>Net Change in Fund Balance</i>	(928,342)	(928,342)	(406,004)	522,338
Fund Balance at Beginning of Year	841,972	841,972	841,972	0
Prior Year Encumbrances Appropriated	<u>86,370</u>	<u>86,370</u>	<u>86,370</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$0</u></u>	<u><u>\$0</u></u>	<u><u>\$522,338</u></u>	<u><u>\$522,338</u></u>

See accompanying notes to the basic financial statements

Noble County, Ohio
Statement of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
Mental Retardation and Developmental Disabilities Fund
For the Year Ended December 31, 2008

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$275,310	\$275,310	\$289,623	\$14,313
Charges for Services	41,350	41,350	41,791	441
Intergovernmental	212,480	212,480	206,078	(6,402)
Interest	5,220	5,220	5,220	0
Contributions and Donations	0	0	823	823
Rent	300	300	250	(50)
Other	5,000	5,000	107	(4,893)
<i>Total Revenues</i>	<u>539,660</u>	<u>539,660</u>	<u>543,892</u>	<u>4,232</u>
Expenditures				
Current:				
Health	<u>673,986</u>	<u>743,986</u>	<u>552,081</u>	<u>191,905</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(134,326)</u>	<u>(204,326)</u>	<u>(8,189)</u>	<u>196,137</u>
Other Financing Source				
Proceeds from the Sale of Capital Assets	<u>0</u>	<u>0</u>	<u>235</u>	<u>235</u>
<i>Net Change in Fund Balance</i>	(134,326)	(204,326)	(7,954)	196,372
Fund Balance at Beginning of Year	696,810	696,810	696,810	0
Prior Year Encumbrances Appropriated	<u>2,486</u>	<u>2,486</u>	<u>2,486</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u>\$564,970</u>	<u>\$494,970</u>	<u>\$691,342</u>	<u>\$196,372</u>

See accompanying notes to the basic financial statements

Noble County, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2008

Assets	
Equity in Pooled Cash and Cash Equivalents	\$2,204,211
Cash and Cash Equivalents in Segregated Accounts	48,168
Accounts Receivable	136,106
Property Taxes Receivable	7,670,014
Intergovernmental Receivable	<u>1,156,473</u>
<i>Total Assets</i>	<u><u>\$11,214,972</u></u>
Liabilities	
Intergovernmental Payable	\$9,310,738
Deposits Held and Due to Others	49,756
Undistributed Monies	<u>1,854,478</u>
<i>Total Liabilities</i>	<u><u>\$11,214,972</u></u>

See accompanying notes to the basic financial statements

Financial Condition
Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 1 - Description of Noble County and Reporting Entity

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

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

Reporting Entity

The County utilizes Governmental Accounting Standards Board Statement 14 for determining the reporting entity.

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

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

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

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

Noble Counseling Center
Noble County Agricultural Society
Noble County Historical Society
Noble County Rural Water Association
Noble County Law Library

Financial Condition
Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

As the custodian of public funds, the County Treasurer invests all public monies held on deposit in the County treasury. In the case of the separate agencies, boards and commissions listed below, the County serves as fiscal agent, but is not financially accountable for their operations nor are they fiscally dependent on the County. Accordingly, the activity of the following districts and agencies will be presented as agency funds within the County's financial statements.

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

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

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

Local Emergency Planning and Right To Know Committee (LEPC) of Noble County is a single County district. The State Emergency Response Commission designates Emergency Planning Districts within the state. The Committee members are recommended by the County Commission for approval by the State Emergency Response Commission. The LEPC receives operating resources in the form of grants from the State. The activities of the LEPC are accounted for as an agency fund of the County. The County has no ability to impose its will on the organization. No benefit or burden exists.

The County is associated with certain organizations which are defined as Public Entity Risk Pools, Jointly Governed Organizations, or Related Organizations. These organizations are presented in Notes 20, 21, and 22 to the basic financial statements. These organizations are:

Buckeye Joint-County Self-Insurance Council
County Commissioners Association of Ohio Workers' Compensation Group Rating Plan
South East Ohio Joint Solid Waste Management District
Mental Health and Recovery Services Board
Guernsey-Monroe-Noble Community Action Corporation (GMN)
Buckeye Hills-Hocking Valley Regional Development District
Southeast Ohio Juvenile Residential District (SOJRD)
Ohio Valley Employment Resource (OVER)
Mid Eastern Ohio Regional Council of Governments (MEORC)
Noble County Metropolitan Housing Authority
Noble County Airport Authority

Financial Condition
Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 2 - Summary of Significant Accounting Policies

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

A. Basis of Presentation

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

Government-wide Financial Statements The statement of net assets and the statement of activities display information about the County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds.

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

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

B. Fund Accounting

The County uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self balancing set of accounts. The County utilizes two categories of funds: governmental and fiduciary.

Financial Condition
Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

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

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

Job and Family Services Fund To account for various federal and state grants and reimbursements as well as transfers from the General Fund used to provide public assistance, human services and workforce development programs.

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

Mental Retardation and Developmental Disabilities Fund To account for the expenditures related to the mentally retarded and developmentally disabled. Revenue sources include a county-wide property tax levy and federal and State grants.

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

Fiduciary Funds Fiduciary fund reporting focuses on net assets. The fiduciary fund type focuses solely on agency funds. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. The County's agency funds are primarily established to account for the collection of various taxes, receipts and fees and to account for funds of the Noble County Health Department.

C. Measurement Focus

Government-wide Financial Statements The government-wide financial statements are prepared using the economic resources measurement focus. All assets and all liabilities associated with the operation of the County are included on the Statement of Net Assets.

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

Financial Condition
Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

D. Basis of Accounting

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

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

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, entitlements and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the sale occurs. Revenue from property taxes is recognized in the year for which the taxes are levied (See Note 7). Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at year-end: sales tax (see Note 8), interest, federal and state grants and subsidies, state-levied locally shared taxes (including motor vehicle license fees and gasoline taxes), fees, and rentals.

Deferred Revenue 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 December 31, 2008, but which were levied to finance year 2009 operations, have been recorded as deferred revenue. Grants and entitlements received before the eligibility requirements are met are also recorded as deferred revenue.

On governmental fund financial statements, receivables that will not be collected within the available period have also been reported as deferred revenue.

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

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

Financial Condition
Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

E. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations resolution, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the County may appropriate. The appropriations resolution is the Commissioner's authorization to spend resources and sets annual limits on expenditures plus encumbrances at the level of control selected by the Commissioners. The legal level of control is at the object level for all funds.

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

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

F. Cash, Cash Equivalents, and Investments

To improve cash management, cash received by the County is pooled. Monies for all funds, are maintained in this pool. Individual fund integrity is maintained through the County's records. Interest in the pool is presented as "Equity in Pooled Cash and Cash Equivalents" on the financial statements.

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

During 2008, investments were limited to non-negotiable certificates of deposit.

Except for nonparticipating investment contracts, investments are reported at fair value which is based on quoted market prices. Nonparticipating investment contracts such as repurchase agreements and nonnegotiable certificates of deposit are reported at cost. Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the County are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments.

Under existing Ohio statutes all investment earnings are assigned to the General Fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the General Fund during 2008 amounted to \$239,339, which includes \$215,405 assigned from other County funds.

Financial Condition
Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

G. Restricted Assets

Restricted cash and cash equivalents in the General Fund represent the amount of unclaimed monies not available for appropriation.

H. Inventory

On the fund and government-wide financial statements, inventories are presented at the lower of cost or market on a first-in, first-out basis and are expended when used.

I. Receivables and Payables

Receivables and payables are recorded on the County's financial statements to the extent that the amounts are determined material and substantiated not only by supporting documentation, but also, by a reasonable, systematic method of determining their existence, completeness, valuation, and in the case of receivables, collectibility.

Using this criteria, the County has elected to not record child support arrearages. These amounts, while potentially significant, are not considered measurable, and because collections are often significantly in arrears, the County is unable to determine a reasonable value.

J. Prepaid Items

Payments made to vendors for services that will benefit periods beyond December 31, 2008, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

K. Capital Assets

General capital assets are capital assets which are associated with and generally arise from governmental activities. They generally result from expenditures in the governmental funds. General capital assets are reported in the governmental activities column of the government-wide statement of net assets but are not reported in the fund financial statements.

All capital 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 County maintains a capitalization threshold of ten thousand dollars. The County's infrastructure consists of roads and bridges. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not.

All capital assets are depreciated except for land and construction in progress. Improvements are depreciated over the remaining useful lives of the related capital assets. Useful lives for infrastructure were estimated based on the County's historical records of necessary improvements and replacement. Depreciation is computed using the straight-line method over the following useful lives:

**Financial Condition
Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

K. Capital Assets (Continued)

Description	Governmental Activities Estimated Lives
Buildings and Improvements	50 years
Machinery, Equipment, Furniture and Fixtures	5 - 20 years
Vehicles	5 - 20 years
Infrastructure	5 - 50 years

The County's infrastructure consists of roads and bridges and includes infrastructure acquired prior to the implementation of GASB Statement 34.

L. Interfund Balances

On fund financial statements, outstanding interfund loans and unpaid amounts for interfund services are reported as "interfund receivables/payables". Interfund balance amounts are eliminated in the statement of net assets.

M. Compensated Absences

The County reports compensated absences in accordance with the provisions of GASB Statement No. 16, "Accounting for Compensated Absences" as interpreted by Interpretation No. 6 of the GASB, "Recognition and Measurement of Certain Liabilities and Expenditures in Governmental Fund Financial Statements". Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable the County will compensate the employees for the benefits through paid time off or some other means. The County records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

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

The entire compensated absences liability is reported on the government-wide financial statements.

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

Financial Condition
Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

N. Accrued Liabilities and Long-term Obligations

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

O. Fund Balance Reserves

The County reserves those portions of fund balance which are legally segregated for a specific future use or which do not represent expendable resources and therefore are not available for appropriation or expenditure. Fund balance reserves have been established for encumbrances, loans receivable, and unclaimed monies. Under Ohio law, unclaimed monies are not available for appropriation until they have remained unclaimed for five years.

P. Net Assets

Net assets represent the difference between assets and liabilities. Net assets invested in capital assets, net of related debt, consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowing used for the acquisition, construction, or improvement of those assets. Net assets are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes primarily include activities involving the upkeep of the County's roads and bridges, services for the handicapped and mentally retarded, and services for homeless children or children from troubled families. The County applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

The government-wide statement of net assets reports \$5,296,610 of restricted net assets for governmental activities, of which no monies are restricted for enabling legislation.

Q. Internal Activity

Internal allocations of overhead expenses from one program to another or within the same program are eliminated on the Statement of Activities. Payments for interfund services provided and used are not eliminated.

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

Financial Condition
Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

R. Extraordinary and Special Items

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the County and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2008.

S. Estimates

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

Note 3 - Change in Accounting Principles

For 2008, the County has implemented Governmental Accounting Standards Board (GASB) Statement No. 49, "Accounting and Financial Reporting for Pollution Remediation Obligations" and GASB Statement No. 52, "Land and Other Real Estate Held as Investments by Endowments".

GASB Statement No. 49 addresses the accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. The implementation of this statement did not result in any change to the County's financial statements.

GASB Statement No. 52 establishes consistent standards for the reporting of land and other real estate held as investments by essentially similar entities. It requires endowments to report their land and other real estate investments at fair value. Governments also are required to reporting the changes in fair value as investment income and to disclose the methods and significant assumptions employed to determine fair value, and other information that they currently present for other investments reported at fair value. The implementation of this statement did not result in any change to the financial statements.

Note 4 - Budgetary Basis of Accounting

While reporting financial position, results of operations and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statements of Revenues, Expenditures, and Changes in Fund Balances - Budget (Non-GAAP Basis) and Actual are presented in the basic financial statements for the General Fund and major special revenue funds. The major differences for those funds between the budget basis and the GAAP basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year end encumbrances are treated as expenditures (budget basis) rather than as a reservation of fund balance (GAAP basis).

**Financial Condition
Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

Note 4 - Budgetary Basis of Accounting (Continued)

4. Unrecorded cash, unrecorded interest, and prepaid items are reported on the balance sheet (GAAP basis), but not on the budgetary basis.
5. Cash that is held by the agency funds on behalf of County funds on a budget basis are allocated and reported on the balance sheet (GAAP basis) in the appropriate County fund.

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

	Net Change in Fund Balances			
	General	Job and Family Services	Vehicle and Gasoline Tax	Mental Retardation and Developmental Disabilities
GAAP Basis	\$42,378	\$17,006	(\$302,208)	(\$1,948)
Net Adjustment for Revenue Accruals	1,580	(10,661)	21,182	6,332
Beginning of the Year:				
Unrecorded Cash	15,570	0	1,927	0
Agency Fund Cash Allocation	26,063	0	0	20,670
Prepaid Items	13,409	7,737	2,762	15,773
End of the Year:				
Unrecorded Cash	(10,918)	0	(315)	0
Agency Fund Cash Allocation	(11,142)	0	0	(8,837)
Prepaid Items	(4,525)	(6,044)	(2,013)	(18,611)
Net Adjustment for Expenditure Accruals	25,916	(159,525)	(21,571)	(20,313)
Advances In	9,210	0	0	0
Advances Out	(9,600)	0	0	0
Encumbrances	(32,772)	(23,969)	(105,768)	(1,020)
Budget Basis	<u>\$65,169</u>	<u>(\$175,456)</u>	<u>(\$406,004)</u>	<u>(\$7,954)</u>

Financial Condition
Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 5 - Accountability

The Job and Family Services and Litter Control Special Revenue Funds and OWDA Loan Capital Project Fund had deficit fund balances in the amounts of \$135,472, \$2,805, and \$18,631, respectively, as of December 31, 2008. These deficits are due to the recognition of payables in accordance with generally accepted accounting principles. The General Fund provides operating transfers for these funds but only as cash is required, not as a deficit occurs.

Note 6 - Deposits and Investments

Monies held by the County are classified by the State statute into two categories, active and inactive.

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

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, 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.

Deposits held by the County, which are not considered active, are classified as inactive. Beginning June 15, 2004, inactive monies may be deposited or invested with certain limitations in the following securities provided the County has filed a written investment policy with the Ohio Auditor of State:

1. United States Treasury Bills, Notes, 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, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations or 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. Bond and other obligations of the State of Ohio or its political subdivisions;
5. Time certificates of deposit or savings or deposit accounts, including, but not limited to, passbook accounts;
6. No-load money market mutual funds;
7. The State Treasurer's investment pool (STAROhio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange similar securities or cash, equal value for equal value;

Financial Condition
Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 6 - Deposits and Investments (Continued)

9. Up to twenty-five percent of the County's average portfolio in either of the following:
 - a. Commercial paper in entities incorporated under the laws of Ohio or any other State that have assets exceeding five hundred million dollars rated at the time of purchase, which are rated in the highest qualification established by two nationally recognized standard rating services, which do not exceed ten percent of the value of the outstanding commercial paper of the issuing corporation and which mature within 270 days after purchase;
 - b. Bankers acceptances eligible for purchase by the federal reserve system and which mature within 180 days after purchase.
10. Fifteen percent of the County's average portfolio in notes issued by U.S. corporations or by depository institutions that are doing business under authority granted by the U.S. provided that the notes are rated in the second highest or higher category by at least two nationally recognized standard rating services at the time of purchase and the notes mature within two years from the date of purchase.
11. No-load money market mutual funds rated in the highest category at the time of purchase by at least one nationally recognized standard rating service consisting exclusively of obligations guaranteed by the United States, securities issued by a federal government agency or instrumentality, and/or highly rated commercial paper.
12. Debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government.

Reverse repurchase agreements, investments in derivatives, and investments in stripped principal or interest obligations that are not issued or guaranteed by the United States, are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. Bankers' acceptances must mature within 180 days. Commercial paper and corporate notes must mature within 270 days. All other investments must mature within five years from the date of settlement unless matched to a specific obligation or debt of the County. Investments must be purchased with the expectation that they will be held to maturity. Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the treasurer or qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

Cash on Hand At year-end, the County had \$300 in undeposited cash on hand which is included on the balance sheet of the County as part of "Equity in Pooled Cash and Cash Equivalents."

Deposits Custodial credit risk for deposits is the risk that in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$6,100,203 of the County's bank balance of \$6,956,144 was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the County to a successful claim by FDIC.

The County has no deposit policy for custodial credit risk beyond the requirements of State statute. Ohio law requires that deposits be either insured or be protected by eligible securities pledged to and deposited either with the County or a qualified trustee and pledged to secure the repayment of all public monies deposited in the financial institution whose market value at all times shall be at least one hundred five percent of the deposits being secured.

Financial Condition
Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Investments As of December 31, 2008, the County had no investment which is part of an internal investment pool.

Interest Rate Risk The County has no investment policy that addresses interest rate risk. State statute requires that an investment mature within five years from the date of purchase, unless matched to a specific obligation or debt of the County, and that an investment must be purchased with the expectation that it will be held to maturity.

At December 31, 2008, the County's Mental Retardation and Developmental Disabilities Special Revenue Fund had a cash balance of \$264,608 with MEORC, a jointly governed organization (see Note 21). The money is held by MEORC in a pooled account which is representative of numerous entities and therefore cannot be classified by risk under GASB Statement No. 3. The classification of cash and cash equivalents and investments for MEORC as a whole may be obtained from their audit report. To obtain financial information, write to the Mid Eastern Ohio Regional Council, Cathy Henthorn, who services as Associate Director of Business, 160 Columbus Road, Mt. Vernon, Ohio 43050.

Note 7 - Property Taxes

Property taxes include amounts levied against all real, public utility, and tangible personal property located in the County. Property tax revenue received during 2008 for real and public utility property taxes represents collections of 2007 taxes. Property tax payments received during 2008 for tangible personal property (other than public utility property) are for 2008 taxes.

2008 real property taxes are levied after October 1, 2008 on the assessed value as of January 1, 2008, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2008 real property taxes are collected in and intended to finance 2009.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2008 public utility property taxes, which became a lien December 31, 2007, are levied after October 1, 2008, and are collected in 2009 with real property taxes. 2008 tangible personal property taxes are levied after October 1, 2007, on the value as of December 31, 2007. Collections are made in 2008. Tangible personal property assessments are being phased out – the assessment percentage for all property including inventory for 2008 is 6.25 percent. This will be reduced to zero percent for 2009.

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

The full tax rate for all County operations for the year ended December 31, 2008 was \$10.75 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2008 property tax receipts were based are as follows:

**Financial Condition
Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

Note 7 - Property Taxes (Continued)

Real Property	\$165,546,200
Public Utility Personal Property	33,192,050
Tangible Personal Property	<u>3,414,175</u>
Total Assessed Value	<u><u>\$202,152,425</u></u>

The County Treasurer collects property tax on behalf of all taxing districts within the County. The County Auditor periodically remits to the taxing districts their portions of the taxes collected. Property taxes receivable represents real and tangible personal property taxes, public utility taxes and outstanding delinquencies which are measurable as of December 31, 2008 and for which there is an enforceable legal claim. In the General Fund, Mental Health, Mental Retardation and Developmental Disabilities, Senior Citizens, Ambulance, Cooperative Extension Service, Health and Local Soil Special Revenue Funds, and Jail Bond Debt Service Fund, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2008 operations and the collection of delinquent taxes during the available period is not subject to reasonable estimation. On a full accrual basis, collectible delinquent property taxes have been recorded as revenue.

Note 8 - Permissive Sales and Use Tax

In 1967, in accordance with Section 5739.02 of the Revised Code, counties were authorized to levy an excise tax of 0.5% to 1-1/2%. The tax must be levied pursuant to a resolution of the County Commissioners and a copy of the resolution of the County Commissioners sent to the Tax Commissioner not later than 60 days prior to the effective date of the tax. The Tax Commissioner shall within forty-five days after the end of each month certify to the Director of Budget and Management the amount of the proceeds of such tax or taxes paid to the Treasurer of State during that month to be returned to the County. The Director then provides for payment to the County Treasurer on or before the twentieth day of the month in which the certification is made. Effective November 1970, the County Commissioners adopted by resolution a 0.5% permissive sales tax as allowed by Section 5739.02 and 5741.02, Revised Code. In February 1985, an additional 0.5% was adopted and in 1994 an additional 0.5% was adopted. Proceeds of the tax are credited to the General Fund. Sales and use tax revenue in 2008 amounted to \$1,047,565.

A receivable is recognized at year-end for amounts that will be received from sales which occurred during 2008. On a full accrual basis, the full amount of the receivable is recognized as revenue. On a modified accrual basis, the amount of the receivable that will be received outside of the available period is deferred.

Note 9 - Receivables

Receivables at December 31, 2008, primarily consisted of taxes, interest, accounts (billings for user charged services, including unbilled utility services), loans, and intergovernmental receivables arising from grants, entitlements and shared revenues. Management believes all receivables are fully collectible within one year except for property taxes and loans. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year.

**Financial Condition
Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

Note 9 – Receivables (Continued)

A summary of the principal items of intergovernmental receivables follows:

<u>Governmental Activities</u>	<u>Amount</u>
Local Government	\$121,637
Homesteads and Rollbacks	115,899
Defense of Indigents	3,308
Estate Tax Fees	684
BMV Fees	713
Emergency Management Township Revenue	656
Subsidy Grant	18,961
Motor Vehicle License Tax	411,097
Motor Vehicle Gas Tax	1,148,920
Permissive License Plate Tax	3,747
MVGT Township and Corporation Reimbursements	4,438
Real Estate and Manufactured Home Administrative Fees	4,115
Workforce Development Receivable	5,189
Emergency Management Planning Grant	5,818
Homeland Security Grant	1,039
Children's Services Reconciliation	468
Children's Services Reimbursements	10,122
DJFS Reimbursements	4,074
Public Assistance Reconciliation	63,217
PUCO Wireless Enhanced 911 Services	24,585
C & DD Fees	103
Community Housing Improvement Program Grant	5,498
Inclusion Facilitator	10,898
CSEA Reconciliation	7,572
Litter and Recycling Contract	2,483
Targeted Case Management/CAFS	3,999
Local Government Tangible Property Tax Replacement	21,221
State Victims Advocate Grant	18,891
Housing of Prisoners	8,000
Sheriff Pay Raise	1,753
Cost Allocation	13,131
Grand Total Intergovernmental Receivable	<u>\$2,042,236</u>

Note 10 - Federal Food Stamp Program

The County's Department of Job and Family Services distributed through contracting issuance centers, federal food stamps to entitled recipients within Noble County. The receipt and issuance of these stamps have the characteristics of federal "grants"; however, the Department of Job and Family Services merely acts in an intermediary capacity. Therefore, the inventory value of these stamps is not reflected in the accompanying financial statements as the only economic interest related to these stamps rests with the ultimate recipient. The County's Department of Job and Family Services had no federal food stamps at December 31, 2008.

Financial Condition
Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 11 - Capital Assets

Capital asset activity for the year ended December 31, 2008, was as follows:

	<u>Balance</u> <u>12/31/2007</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/2008</u>
Governmental Activities				
Non-Depreciable Capital Assets:				
Land	\$687,086	\$107,000	\$0	\$794,086
Construction in Progress	140,213	503,089	0	643,302
Gravel Roads/Bases	12,530,356	0	0	12,530,356
Total Non-Depreciable Capital Assets	<u>13,357,655</u>	<u>610,089</u>	<u>0</u>	<u>13,967,744</u>
Depreciable Capital Assets:				
Buildings and Improvements	4,143,107	0	0	4,143,107
Machinery, Equipment, Furniture and Fixtures	2,245,341	181,705	(15,680)	2,411,366
Vehicles	1,177,260	21,229	(31,000)	1,167,489
Infrastructure	9,918,067	708,616	(337,062)	10,289,621
Total Depreciable Capital Assets	<u>17,483,775</u>	<u>911,550</u>	<u>(383,742)</u>	<u>18,011,583</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(1,227,589)	(80,854)	0	(1,308,443)
Machinery, Equipment, Furniture and Fixtures	(1,225,145)	(122,741)	15,679	(1,332,207)
Vehicles	(885,637)	(77,392)	27,544	(935,485)
Infrastructure	(4,029,875)	(483,560)	270,817	(4,242,618)
Total Accumulated Depreciation	<u>(7,368,246)</u>	<u>(764,547) *</u>	<u>314,040</u>	<u>(7,818,753)</u>
Total Depreciable Capital Assets, Net	<u>10,115,529</u>	<u>147,003</u>	<u>(69,702)</u>	<u>10,192,830</u>
Governmental Capital Assets, Net	<u>\$23,473,184</u>	<u>\$757,092</u>	<u>(\$69,702)</u>	<u>\$24,160,574</u>

* Depreciation expense was charged to programs of the primary government as follows:

Governmental Activities

General Government:	
Legislative and Executive	\$7,316
Judicial	6,789
Public Safety	89,803
Public Works	626,392
Health	18,993
Human Services	15,254
Total Depreciation Expense	<u>\$764,547</u>

Financial Condition
Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 12 - Risk Management

The County is exposed to various risks of loss related to torts; theft, damage to or destruction of assets; errors and omissions; employee injuries, and natural disasters. During 2008 the County contracted with the Buckeye Joint-County Self-Insurance Council (a public entity risk pool - See Note 20) for liability, auto, and crime insurance. This organization is a cost-sharing pool. Coverage provided by the program is as follows:

Basic Contribution	Coverage Limits	Deductible
Blanket Buildings and Personal Property	\$14,146,191	\$1,000
Legal Liability Real Property	1,000,000	1,000
Business Income with Extra Expense	1,000,000	1,000
Boiler and Deep Well Pumps	14,146,191	1,000/10,000
Inland Marine	1,021,707	1,000
Electronic Equipment Limit	500,000	1,000
Electronic Media and Extra Expense Limit	5,000	1,000
General Liability	1,000,000	0
Personal and Advertising Injury	1,000,000	0
Each Electronic Data Incident	50,000`	0
General Aggregate	3,000,000	0
Medical Expense Limit – Per Person	10,000	0
Medical Expense Limit Annual Aggregate	50,000	0
Employers Liability – Ohio Stop Gap	1,000,000	0
Employees Benefits Liability	1,000,000/3,000,000	0
Public Official Liability	1,000,000/3,000,000	5,000
Law Enforcement Liability	1,000,000/3,000,000	5,000
Theft, Disappearance and Destruction	50,000	0
Public Employee Dishonesty	250,000	0
Forgery and Alteration	5,000	0
Computer Fraud	50,000	100
Funds Transfer Fraud	5,000	0
Animal Mortality	10,000	0
Arson Reward	5,000	.0
Cemetery Structures	10,000	0
Fire Department Service Charge	1,000	0
Lock Re-Keying	2,500	0
Outdoor Property	100,000	0
Personal Effects	2,500	0
Pollution Clean Up and Removal	50,000	0
Property Off Premises	10,000	0
Accounts Receivable	100,000	0
Builder Risk	500,000	0
Fine Arts	25,000	0
Fire Protection Devices	5,000	0
Ground Maintenance Equipment	30,000	0
Newly Acquired or Constructed Buildings	500,000	0
Newly Acquired Personal Property	100,000	0
Paved Surfaces	50,000	0
Underground Pipes, Flues or Drains	1,000,000	0
Unnamed Locations	250,000	0
Valuable Papers and Records	100,000	0
Utility Services	25,000	0
Property in Transit	25,000	0
Auto Liability	1,000,000	0
Auto Comprehensive/Collision	Included	1,000

Financial Condition
Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 12 - Risk Management (Continued)

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

For 2008, the County participated in the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool (See Note 20). The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate.

In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, the Plan's executive committee annually calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. For the County, a savings of approximately \$40,886 was realized on the annual premium cost. Participation in the Plan is limited to counties that can meet the Plan's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control and actuarial services to the Plan. Each year, the County pays an enrollment fee to the Plan to cover the costs of administering the program. The County may withdraw from the Plan if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the Plan prior to withdrawal, and any participant leaving the Plan allows the representative of the Plan to access loss experience for three years following the last year of participation.

The County pays all elected official bonds by state statute.

Note 13 – Defined Benefit Pension Plans

A. Ohio Public Employees Retirement System

Plan Description – The County participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional pension plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member-directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The combined plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the combined plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to the traditional pension plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the member-directed plan. While members in the State and local divisions may participate in all three plans, law enforcement (generally sheriffs, deputy sheriffs and township police) and public safety divisions exist only within the traditional pension plan.

Financial Condition
Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 13 – Defined Benefit Pension Plans (Continued)

A. Ohio Public Employees Retirement System (Continued)

OPERS provides retirement, disability, survivor and death benefits and annual cost-of-living adjustments to members of the traditional pension and combined plans. Members of the member-directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report. Interested parties may obtain a copy by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy – The Ohio Revised Code provides statutory authority for member and employer contributions. For the year ended December 31, 2008, members in state and local classifications contributed 10.0 percent of covered payroll and public safety and law enforcement members contributed 10.1 percent.

The County's contribution rate for 2008 was 14.0 percent, except for those plan members in law enforcement or public safety, for whom the County's contribution was 17.4 percent of covered payroll. The Ohio Revised Code provides statutory authority for member and employer contributions.

The County's required contributions for pension obligations to the traditional and combined plans for the year ended December 31, 2008, 2007, and 2006 were \$295,819, \$340,957, and \$377,489, respectively; 89 percent has been contributed for 2008 and 100 percent for 2007 and 2006. Contributions to the member-directed plan for 2008 were \$252 made by the County and \$180 made by plan members.

Note 14 – Postemployment Benefits

A. Ohio Public Employees Retirement System

Plan Description – OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the traditional and combined pension plans. Members of the member-directed plan do not qualify for ancillary benefits, including post-employment health care. The plan includes a medical plan, a prescription drug program and Medicare Part B premium reimbursement.

To qualify for post-employment health care coverage, age-and-service retirees under the traditional and combined plans must have ten or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The Ohio Revised Code permits, but does not require, OPERS to provide health care benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

Disclosures for the health care plan are presented separately in OPERS financial report which may be obtained by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Financial Condition
Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 14 – Postemployment Benefits (Continued)

A. Ohio Public Employees Retirement System (Continued)

Funding Policy – The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401(h). State Statute requires that public employers fund post-employment health care through their contributions to OPERS. A portion of each employer's contribution to the traditional and combined plans is set aside for the funding of post-retirement health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2008, state and local employers contributed at a rate of 14.0 percent of covered payroll (17.40 percent for public safety and law enforcement). Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. For 2008, the amount of the employer contributions which was allocated to fund post-employment health care was 7.0 percent of covered payroll.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits by the retiree or their surviving beneficiaries. Payment amounts vary depending on the number of covered dependents and the coverage selected. Active members do not make contributions to the post-employment health care plan.

The County's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2008, 2007, and 2006 were \$287,874, \$220,148, and \$174,467, respectively; 89 percent has been contributed for 2008 and 100 percent for 2007 and 2006.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007, and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

Note 15 - Compensated Absences

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

Employees earn sick leave at the rate of 1.25 days per month of service. Sick leave accumulation is limited to 120 days. Upon retirement or death, an employee can be paid from twenty-five to fifty percent of accumulated, unused sick leave. As of December 31, 2008 the liability for compensated absences was \$426,486 for the entire County.

**Financial Condition
Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

Note 16 - Capital Leases -Lessee Disclosure

Equipment acquired by lease has been capitalized in government- wide statements governmental activities in the amount of \$14,860, which is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the government-wide statements as part of governmental activities. This governmental activities capitalized leased asset is reflected net of accumulated depreciation in the amount of \$11,392 at December 31, 2008. There were principal payments towards the copier of \$2,792. The lease is being repaid by the Emergency Management Agency Special Revenue Fund.

Future minimum lease payments through 2012 for governmental activities are as follows:

2009	\$2,887	\$346
2010	2,985	248
2011	3,087	146
2012	<u>2,653</u>	<u>41</u>
Total	<u><u>\$11,612</u></u>	<u><u>\$781</u></u>

Note 17 - Contractual Commitments

As of December 31, 2008, the County had contractual purchase commitments for the following projects:

Project	Fund	Purchase Commitments	Amounts Paid as of 12/31/2008	Amounts Remaining On Contracts
Ward & Associates 2008 Sexennial Reappraisal	Real Estate Assessment	\$181,713	\$178,078	\$3,635
Ward & Associates New Construction	Real Estate Assessment	13,310	11,979	1,331
ME Companies	OWDA Loan	<u>197,415</u>	<u>162,744</u>	<u>34,671</u>
		<u><u>\$392,438</u></u>	<u><u>\$352,801</u></u>	<u><u>\$39,637</u></u>

**Financial Condition
Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

Note 18 - Long -Term Obligations

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

	<u>Outstanding 12/31//2007</u>	<u>Additions</u>	<u>Deletions</u>	<u>Outstanding 12/31//2008</u>	<u>Due Within One Year</u>
Governmental Activities:					
General Obligation Bonds	\$800,000	\$0	\$100,000	\$700,000	\$100,000
2003 Promissory Note 4.5% - \$25,324	2,793	0	2,793	0	0
Capital Leases	14,404	0	2,792	11,612	2,887
Belle Valley Sanitary Sewer OWDA Loan 2007 4.62%	30,627	138,311	12,500	156,438	0
Compensated Absences	<u>427,275</u>	<u>235,028</u>	<u>235,817</u>	<u>426,486</u>	<u>152,953</u>
Total Governmental Activities	<u>\$1,275,099</u>	<u>\$373,339</u>	<u>\$353,902</u>	<u>\$1,294,536</u>	<u>\$255,840</u>

The County's general obligation bonds were issued February 14, 1996 in the original issue amount of \$2,000,000 at a interest rate of 3.95% to 7.08% with a final maturity date of December 2015 for the purpose of constructing a jail facility. The debt is being retired through the Jail Bond Retirement Debt Service Fund by a levy passed in May 1996.

Annual debt service requirements to retire general obligation bonds outstanding at December 31, 2008 are as follows:

<u>Year Ending December 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2009	\$100,000	\$40,830	\$140,830
2010	100,000	35,330	135,330
2011	100,000	29,780	129,780
2012	100,000	24,180	124,180
2013	100,000	18,530	118,530
2014-2015	<u>200,000</u>	<u>19,910</u>	<u>219,910</u>
Total	<u>\$700,000</u>	<u>\$168,560</u>	<u>\$868,560</u>

During 2003 the County issued a promissory note in the amount of \$25,324, at an interest rate of 4.5% for the purchase of a vehicle to be utilized by the Emergency Management Agency. The debt was being retired from the General Fund with an agreement with the Emergency Management Agency to pay a rental lease to the County. The promissory note was paid off during 2008.

The County obtained an OWDA loan in January 2007 for the planning and design of the Belle Valley sanitary sewer project. The loan approved amount was \$250,000 plus accrued interest during construction. During 2008 the County drew down \$138,311. This project is still in progress and OWDA has not yet established the amortization schedule for the repayment of the loan.

**Financial Condition
Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008**

Note 18 - Long -Term Obligations (Continued)

Compensated absences will be paid from the funds from which the employees' salaries are paid, which consist of the General Fund and the Job and Family Services, Real Estate Assessment, Delinquent Real Estate and Tax Assessment Collection, Child Support Enforcement Agency, Mental Retardation and Developmental Disabilities, Motor Vehicle and Gasoline Tax, Subsidy Grant, Noble County Emergency Management Agency, Dog and Kennel, and 911 Special Revenue Funds.

The County's overall legal debt margin at December 31, 2008 was \$4,419,643.

During 2001, the County issued a conduit debt instrument on behalf of the Pure Water Company, Inc. in the amount of \$32,926. The proceeds were used to finance a water line extension project within the County. The issued debt does not constitute a general obligation, debt, or bonded indebtedness of the County. Neither is the full faith and credit of taxing power of the County pledged to make repayment. As of December 31, 2008, \$9,624 of the promissory note remains outstanding.

Note 19 - Interfund Transactions

Interfund balances at December 31, 2008 consist of the following individual fund receivables and payables:

	<u>Interfund Receivable</u> <u>Major Fund</u>
<u>Interfund Payable</u>	<u>General</u>
Major Fund:	
Job and Family Services	\$85,947
Other Nonmajor Governmental	<u>58,323</u>
Total All Funds	<u>\$144,270</u>

In addition, the fund financial statements reflect an interfund receivable in the General Fund in the amount of \$9,600. This receivable is the result of short-term advances made to the Dog and Kennel, Litter Control, and CDBG Special Revenue Funds in the amount of \$5,000, \$2,500, and \$2,100 respectively.

Interfund transfers for the year ended December 31, 2008 consisted of the following, as reported on the fund statements:

	<u>Transfer to</u>		<u>Totals</u>
	<u>Major Fund</u> <u>Job and</u> <u>Family Services</u>	<u>Other Nonmajor</u> <u>Governmental Funds</u>	
<u>Transfer from</u>			
Major Fund:			
General Fund	<u>\$37,812</u>	<u>\$119,556</u>	<u>\$157,368</u>
Total All Funds	<u>\$37,812</u>	<u>\$119,556</u>	<u>\$157,368</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to move unrestricted revenues collected in the

Financial Condition
Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 19 - Interfund Transactions (Continued)

General Fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

Note 20 - Public Entity Risk Pools

A. Buckeye Joint-County Self-Insurance Council

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

In the event of losses, the first \$250 to \$2,500 of any valid claim, depending on type of loss, will be paid by the member. The next payment, with a maximum pay out ranging from \$100,000 to \$1,000,000 per occurrence, will come from the self insurance pool based on the members percentage of contribution. If the aggregate claims paid by the pool exceed the available resources, the pool may require the members to make additional supplementary payments. Noble County does not have any ongoing financial interest or responsibility. The agreement between the County and the Council indicates that a voluntary withdrawal or termination of the Council shall constitute a forfeiture of any pro rata share of the Council reserve fund. In the event of the termination of the Council, current members shall be paid in an amount that they have contributed to the Council as of the last month of the Council's existence. Current calculation of this potential residual interest is therefore not possible. During 2008, Noble County paid \$86,945 to the Council for coverage.

B. County Commissioners Association of Ohio Workers' Compensation Group Rating Plan

The County is participating in a group rating plan for workers' compensation as established under Section 4123.29 of the Ohio Revised Code. The County Commissioners Association Service Corporation (CCAOSC) was established through the County Commissioners Association of Ohio (CCAO) as a group purchasing pool.

A group executive committee is responsible for calculating annual rate contributions and rebates, approving the selection of a third party administrator, reviewing and approving proposed third party fees, fees for risk management services and general management fees, determining ongoing eligibility of each participant and performing any other acts and functions which may be delegated to it by the participating employers. The group executive committee consists of seven members. Two members are the president and treasurer of CCAOSC; the remaining five members are representatives of the participants. These five members are elected for the ensuing year by the participants at a meeting held in the month of December each year. No participant can have more than one member of the group executive committee in any year, and each elected member shall be a County Commissioner. The County's contribution to the pool for 2008 was \$13,420.

Financial Condition
Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 21 - Jointly Governed Organizations

A. South East Ohio Joint Solid Waste Management District

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

The South East Ohio Joint Solid Waste Management District is governed and operated through two groups. An eighteen member board of directors, comprised of three commissioners from each County, is responsible for the District's financial matters. Financial records are maintained by the District. The District's sole revenue source is a waste disposal fee for in-district waste. A forty-three member policy committee, comprised of seven members from each county and one at-large member appointed by the policy committee, is responsible for preparing the solid waste management plan of the District in conjunction with a Technical Advisory Council whose members are appointed by the policy committee. Each participating County's influence is limited to the number of members each appoints to the board. Continued existence of the District is not dependent on the County's continued participation, no equity interest exists, and no debt is outstanding.

B. Mental Health and Recovery Services Board

The Mental Health and Recovery Services Board is a jointly governed organization. Participants are Noble, Muskingum, Coshocton, Guernsey, Perry and Morgan Counties. The Board has the responsibility for development, coordinated continuation and ongoing modernization, funding, monitoring, and evaluation of community-based mental health and substance abuse programming. The Board is managed by a seventeen member board of trustees; three appointed by the Muskingum County Commissioners, seven appointed by the Commissioners of the other participating counties, three by the Director of State Department of Alcohol and Drug Addiction, and four appointed by the Director of the State Department of Mental Health. The Board exercises total control, including budgeting, appropriating, contracting, and designating management.

During 2008, Noble County contributed \$100,012 in tax levy revenue money through a .70 mill levy. The remaining revenues are provided by levies from other member counties, and state and federal grants awarded to the multi-county board. Muskingum County serves as fiscal agent for the Board. Continued existence of the Board is not dependent on the County's continued participation and no equity interest exists. The Board has no outstanding debt.

C. Guernsey-Monroe-Noble Community Action Corporation (GMN)

The Guernsey-Monroe-Noble Community Action Corporation is a non-profit corporation organized to plan, conduct and coordinate programs designed to combat social and economic problems and to help eliminate conditions of poverty within Guernsey, Monroe and Noble counties. The agency is governed by an eighteen member board which consists of two commissioners or their appointees from each county, two individuals from the private sector from each county, and two low income individuals elected by each county. The six business owners are nominated by other local business owners and the six low income individuals are nominated at a public meeting of the local

Financial Condition
Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 21 - Jointly Governed Organizations (Continued)

C. Guernsey-Monroe-Noble Community Action Corporation (GMN) (Continued)

Neighborhood Service Center Policy Advisory Committee. The agency received federal and state monies which are applied for and received by, and in the name of, the Board of Directors. Continued existence of the Community Action Agency is not dependent upon the County's continued participation, nor does the County have an equity interest in the agency. The agency is not accumulating significant financial resources and is not experiencing fiscal distress that may cause an additional financial benefit to or burden on the County. The agency administers the operations of the Senior Citizens Center. During 2008, \$71,482 in Senior Citizens Levy money was received on behalf of the elderly residents of Noble County.

D. Buckeye Hills - Hocking Valley Regional Developmental District

The Buckeye Hills - Hocking Valley Regional Development District serves as regional council of governments which is a jointly governed organization created to foster a cooperative effort in regional planning, programming, and the implementing of regional plans and programs. The District is governed by a fourteen member board of directors. The District serves Noble, Athens, Hocking, Meigs, Monroe, Morgan, Perry and Washington Counties. Each participating county appoints one member to the board of directors, the City of Marietta and the City of Athens each appoint one member and the remaining members are private citizens nominated and approved by their respective organizations. The board has total control over budgeting, personnel and all other financial matters. The District receives grant monies directly. The District is not dependent on the County's continued participation and no equity interest exists. The District has no outstanding debt. Noble County's annual cash contribution during 2008 was \$1,406. The local contribution is based on the County's formal resolution of cooperation with the district and the 2000 census.

E. Southeast Ohio Juvenile Rehabilitation District (SOJRD)

The Southeast Ohio Juvenile Rehabilitation District is a jointly governed organization among Noble, Belmont, Harrison, Guernsey, Jefferson and Monroe Counties. SOJRD was formed to operate a regional juvenile rehabilitation facility for the use of member counties, and to house and treat adjudicated non-violent felony offenders. The facility is operated and managed by SOJRD. The participating entities created a Judicial Rehabilitation Board, the members of which are made up of the juvenile judges of each participating county who determine the policy.

A Board of Trustees has been created whose members are appointed by the juvenile judges of which Belmont and Jefferson Counties have three appointees, Guernsey County has two appointees, and Harrison, Monroe and Noble Counties each have one appointee. The facility is located on property now owned by Belmont County. Policies, procedures and the operating budget are approved by the Judicial Rehabilitation Board. The Board is not dependent upon Noble County for its continued existence, no debt exists, and the County does not have an equity interest in or a financial responsibility for the Board. Noble County does not contribute any monies directly to fund the district.

Financial Condition
Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 21 - Jointly Governed Organizations (Continued)

F. Ohio Valley Employment Resource (OVER)

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

G. Mid Eastern Ohio Regional Council of Governments (MEORC)

The Mid Eastern Ohio Regional Council of Governments (MEORC) is a jointly governed organization which serves eighteen counties in Ohio. MEORC provides services to the mentally retarded and developmentally disabled residents of the participating counties. The Council is made up of the superintendents of each county's Board of Mental Retardation and Developmental Disabilities. Revenues are generated by fees and state grants. Continued existence of the Council is not dependent on the County's continued participation. The County has no equity interest in, or financial responsibility for the Council. The Council has no outstanding debt. During 2008, the County contributed \$15,000 to MEORC.

Note 22 - Related Organizations

A. Noble County Metropolitan Housing Authority

The Noble County Metropolitan Housing Authority is a nonprofit organization established to provide adequate public housing for low income individuals and was created pursuant to State statutes. The Authority is operated by a five member board. Two members are appointed by the largest municipality in the County, one member is appointed by the probate court judge, one member is appointed by the common pleas court judge, and one member is appointed by the County commissioners. The Authority receives funding from the Federal Department of Housing and Urban Development. The board sets its own budget and selects its own management, and the County is not involved in the management or operation. The County is not financially accountable for the Authority.

B. Noble County Airport Authority

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

Financial Condition
Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2008

Note 23 - Contingent Liabilities

The County has received federal and state grants for specific purposes that are subject to review and audit by the grantor agencies or their designee. These audits could lead to a request for reimbursement to the grantor agency for expenditures disallowed under terms of the grant. Based on prior experience, the County Commissioners believe such disallowances, if any, will be immaterial.

This page intentionally left blank.

**FINANCIAL CONDITION
NOBLE COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2008**

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA # Number	Disbursements
U. S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed through Ohio Department of Development:</i>			
Community Development Block Grant/State's Program	B-F-07-056-1	14.228	55,000
Community Development Block Grant/State's Program	B-P-07-056-2	14.228	28,178
Community Development Block Grant/State's Program	B-C-07-056-1	14.228	123,632
Total Community Development Block Grants - States Program			<u>206,810</u>
HOME Investment Partnerships Program Community Housing Improvement Program	B-C-07-056-2	14.239	99,088
Total U.S. Department of Housing and Urban Development			<u>305,898</u>
U. S. DEPARTMENT OF LABOR			
<i>Passed Through Workforce Investment Act Area # 15:</i>			
WIA Cluster:			
Workforce Investment Act - Adult	N/A	17.258	30,786
Workforce Investment Act - Adult-Admin	N/A	17.258	63,670
Total Workforce Investment Act - Adult			<u>94,456</u>
Workforce Investment Act - Youth	N/A	17.259	7,813
Workforce Investment Act - Youth - Admin	N/A	17.259	115,289
Total Workforce Investment Act - Youth			<u>123,102</u>
Workforce Investment Act - Dislocated Worker	N/A	17.260	15,679
Workforce Investment Act - Dislocated Worker-Admin	N/A	17.260	46,018
Workforce Investment Act - Dislocated Worker - Veterans	N/A	17.260	9,091
Workforce Investment Act - Dislocated Worker - Mahle Plant	N/A	17.260	38,105
Workforce Investment Act - Dislocated Worker - Mahle Plant-admin	N/A	17.260	32,570
Total Dislocated Worker			<u>141,463</u>
Total WIA Cluster			<u>359,021</u>
Employment Services	N/A	17.207	993
Total U.S. Department of Labor			<u>360,014</u>

FINANCIAL CONDITION
NOBLE COUNTY
SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2008
(Continued)

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program Title	Pass Through Entity Number	Federal CFDA # Number	Disbursements
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed through Ohio Department of Mental Retardation and Developmental Disabilities:</i>			
Medical Assistance Program - Targeted Case Management	N/A	93.778	32,092
Social Services Block Grant - Title XX	N/A	93.667	7,338
Voting Access for Individuals with Disabilities - Grants to States	N/A	93.617	3,083
Total U.S. Department of Health and Human Services			<u>42,513</u>
U.S. DEPARTMENT OF HOMELAND SECURITY			
<i>Passed Through Ohio Emergency Management Agency</i>			
Homeland Security Cluster:			
Homeland Security Program	2007-GE T7 0030	97.067	35,848
Citizen Corp	2006-GC T6 0051	97.053	7,000
State Homeland Security Program	2006-GE-T6-0051	97.073	454
Total Homeland Security Cluster			<u>43,302</u>
Emergency Management Performance Grant	2007-EM E7 0024	97.042	4,035
Emergency Management Performance Grant - supplemental	2007-EM E7 0085	97.042	5,758
Emergency Management Performance Grant	2008-EM E8 0002	97.042	29,703
Total Emergency Management Performance Grant			<u>39,496</u>
Hazard Mitigation Grant	DR-1580-14R-OH	97.039	80,630
Total U.S. Department of Homeland Security			<u>163,428</u>
U.S. DEPARTMENT OF AGRICULTURE			
<i>Direct Program</i>			
Rural Business Enterprise Grants	N/A	10.769	17,298
Total U.S. Department of Agriculture			<u>17,298</u>
Total Federal Awards Expenditures			<u><u>\$ 889,151</u></u>

The Notes to the Schedule of Federal Awards Expenditures are an integral part of the Schedule.

**FINANCIAL CONDITION
NOBLE COUNTY**

**NOTES TO SCHEDULE OF FEDERAL AWARDS EXPENDITURES
FOR THE YEAR ENDED DECEMBER 31, 2008**

NOTE A - SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – SUBRECIPIENTS

Certain Federal programs require the County to contribute non-Federal funds (matching funds) to support the Federally-funded programs. The County has complied with the matching requirements. The expenditure of non-Federal matching funds is not included on the Schedule.

This page intentionally left blank.



Mary Taylor, CPA

Auditor of State

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

Noble County
200 Courthouse Square
Caldwell, Ohio 43724

To the Board of County Commissioners:

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Noble County, Ohio (the County), as of and for the year ended December 31, 2008, which collectively comprise the County's basic financial statements and have issued our report thereon dated August 12, 2009. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the County's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the County's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the County's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the County's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the County's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

We noted certain matters that we reported to the County's management in a separate letter dated August 12, 2009.

Compliance and Other Matters

As part of reasonably assuring whether the County's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the 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 an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain noncompliance or other matters that we reported to the County's management in a separate letter dated August 12, 2009.

We intend this report solely for the information and use of the audit committee, management, the Board of County Commissioners, and federal awarding agencies and pass-through entities. We intend it for no one other than these specified parties.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

August 12, 2009



Mary Taylor, CPA

Auditor of State

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

Noble County
200 Courthouse Square
Caldwell, Ohio 43724

To the Board of County Commissioners:

Compliance

We have audited the compliance of Noble County, Ohio (the County), with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that apply to each of its major federal program for the year ended December 31, 2008. The Summary of Auditor's Results Section of the accompanying Schedule of Findings identifies the County's major federal programs. The County's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to each major federal program. Our responsibility is to express an opinion on the County'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 reasonably assure whether noncompliance occurred with the types of compliance requirements referred to above that could directly and materially affect a major federal program. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing other procedures we considered necessary in the circumstances. We believe our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the County's compliance with those requirements.

In our opinion, Noble County complied, in all material respects, with the requirements referred to above that apply to each of its major federal programs for the year ended December 31, 2008.

In a separate letter to the County's management dated August 12, 2009, we reported an other matter related to federal noncompliance not requiring inclusion in this report.

Internal Control Over Compliance

The County's management is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the County's internal control over compliance with requirements that could directly and materially affect a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the County's internal control over compliance.

743 E. State St. / Athens Mall Suite B / Athens, OH 45701-2157
Telephone: (740) 594-3300 (800) 441-1389 Fax: (740) 594-2110
www.auditor.state.oh.us

A *control deficiency* in internal control over compliance exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect noncompliance with a federal program compliance requirement on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the County's ability to administer a federal program such that there is more than a remote likelihood that the County's internal control will not prevent or detect more-than-inconsequential noncompliance with a federal program compliance requirement.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the County's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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

We intend this report solely for the information and use of the audit committee, management, the Board of County Commissioners, federal awarding agencies, and pass-through entities. It is not intended for anyone other than these specified parties.



Mary Taylor, CPA
Auditor of State

August 12, 2009

**FINANCIAL CONDITION
NOBLE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A -133 § .505
DECEMBER 31, 2008**

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 control weakness 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):	Community Development Block Grant – CFDA No. 14.228 HOME Investment Partnerships Program– CFDA No. 14.239
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee?	Yes

**FINANCIAL CONDITION
NOBLE COUNTY**

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 §.505
FOR THE FISCAL YEAR ENDED JUNE 30, 2008
(Continued)**

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

None.

3. FINDINGS FOR FEDERAL AWARDS

None.



Mary Taylor, CPA
Auditor of State

FINANCIAL CONDITION

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
SEPTEMBER 22, 2009**