



Dave Yost • Auditor of State

**FINANCIAL CONDITION
NOBLE COUNTY**

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Dave Yost • 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, the business-type activities, each major fund, and the aggregate remaining fund information of Noble County, Ohio (the County), as of and for the year ended December 31, 2011, 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, the business-type activities, each major fund and the aggregate remaining fund information of Noble County, Ohio, as of December 31, 2011, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparisons for the General, Job and Family Services, Motor Vehicle and Gasoline Tax, Community Development Block Grant and Developmental Disabilities Funds for the year then ended in conformity with accounting principles generally accepted in the United States of America.

As described in Note 3, the County adopted the provisions of Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 13, 2012, 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.

Accounting principles generally accepted in the United States of America require this presentation to include *Management's Discussion and Analysis*, as listed in the table of contents, to supplement the basic financial statements. Although this information is not part of the basic financial statements, the Governmental Accounting Standards Board considers it essential for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any other assurance.

We conducted our audit to opine on the financial statements that collectively comprise the County's basic financial statements taken as a whole. The Federal Awards Expenditures Schedule (the Schedule) provides additional information required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the basic financial statements. The Schedule is management's responsibility, and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. This Schedule was subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.



Robert R. Hinkle, CPA
Chief Deputy Auditor

September 13, 2012

**Noble County
Management's Discussion and Analysis
For the Year Ended December 31, 2011**

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, 2011. 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 2011 are as follows:

- The assets of Noble County exceeded its liabilities at the close of the year ended December 31, 2011, by \$36,985,569 (net assets). Of this amount, \$1,499,490 may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net assets increased by \$63,289 from the total net assets at the beginning of the year 2011.
- At the end of the current year, the County reported unrestricted net assets for governmental activities of \$1,227,768.
- At the end of the current year, the County's governmental funds reported a combined ending fund balance of \$6,343,125, an increase of \$374,476 from the prior year. Of this amount, \$236,127 is available for spending (unassigned fund balance) on behalf of its citizens.
- At the end of the current year, unassigned fund balance for the General Fund was \$326,424, which represents 10 percent of total General Fund expenditures.

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. Nonmajor funds are presented separately from major funds in total and in one column.

**Noble County
Management's Discussion and Analysis
For the Year Ended December 31, 2011**

Government-Wide Financial Statements

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

Statement of Net Assets and Statement of Activities

While these documents contain information about the funds used by the County to provide services to our citizens, the view of the County as a whole looks at all financial transactions and asks the question, "How did we do financially during 2011?" The Statement of Net Assets and the Statement of Activities answer this question.

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

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

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

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

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

Reporting Noble County's Most Significant Funds

Fund Financial Statements

The basic governmental fund financial statements begin on page 15. 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, Community Development Block Grant, and Developmental Disabilities Special Revenue Funds.

**Noble County
Management's Discussion and Analysis
For the Year Ended December 31, 2011**

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.

Proprietary Funds - The County maintains one proprietary fund - enterprise. Enterprise funds are used to report the same functions presented as business-type activities on the government-wide financial statements. The County uses an enterprise fund to account for the Sewer Fund operations.

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.

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 2011 compared to 2010:

**Noble County
Management's Discussion and Analysis
For the Year Ended December 31, 2011**

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Assets						
Current and Other Assets	\$11,975,818	\$11,349,111	\$280,989	\$1,098,244	\$12,256,807	\$12,447,355
Capital Assets	23,517,907	23,499,542	5,240,341	4,942,729	28,758,248	28,442,271
Total Assets	<u>35,493,725</u>	<u>34,848,653</u>	<u>5,521,330</u>	<u>6,040,973</u>	<u>41,015,055</u>	<u>40,889,626</u>
Liabilities						
Long-Term Liabilities	(945,336)	(998,784)	(238,225)	(244,332)	(1,183,561)	(1,243,116)
Other Liabilities	<u>(2,786,108)</u>	<u>(2,452,320)</u>	<u>(59,817)</u>	<u>(271,910)</u>	<u>(2,845,925)</u>	<u>(2,724,230)</u>
Total Liabilities	<u>(3,731,444)</u>	<u>(3,451,104)</u>	<u>(298,042)</u>	<u>(516,242)</u>	<u>(4,029,486)</u>	<u>(3,967,346)</u>
Net Assets						
Invested in Capital Assets,						
Net of Related Debt	23,115,254	22,993,802	4,951,566	4,429,650	28,066,820	27,423,452
Restricted	7,419,259	7,206,204	0	0	7,419,259	7,206,204
Unrestricted	<u>1,227,768</u>	<u>1,197,543</u>	<u>271,722</u>	<u>1,095,081</u>	<u>1,499,490</u>	<u>2,292,624</u>
Total Net Assets	<u>\$31,762,281</u>	<u>\$31,397,549</u>	<u>\$5,223,288</u>	<u>\$5,524,731</u>	<u>\$36,985,569</u>	<u>\$36,922,280</u>

As noted earlier, the County's net assets, when reviewed over time, may serve as a useful indicator of the County's financial position. In the case of the County, assets exceeded liabilities by \$36,985,569 (\$31,762,281 in governmental activities and \$5,223,288 in business-type activities) as of December 31, 2011. 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 (75.9 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 (20.1 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 (4.0 percent) which may be used to meet the County's ongoing obligations to its citizens and creditors.

The County's total net assets increased 0.2 percent or \$63,289 during 2011. However, the change in the separate components of net assets is more prevalent in unrestricted net assets of business-type activities, a decrease of \$301,443. This change is a result of a decrease in intergovernmental receivables due to the completion of a grant through the American Recovery and Reinvestment Act.

**Noble County
Management's Discussion and Analysis
For the Year Ended December 31, 2011**

Table 2 shows the changes in net assets for 2011, compared to the changes in net assets for 2010.

Table 2
Change in Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Revenues:						
Program Revenues						
Charges for Services	\$1,999,041	\$1,801,458	\$39,646	\$0	\$2,038,687	\$1,801,458
Operating Grants, Contributions and Interest	6,658,662	6,930,336	0	0	6,658,662	6,930,336
Capital Grants and Contributions	32,517	95,957	164,425	0	196,942	95,957
Total Program Revenues	8,690,220	8,827,751	204,071	0	8,894,291	8,827,751
General Revenues						
Property Taxes	2,168,011	1,806,394	0	0	2,168,011	1,806,394
Sales Taxes	1,108,326	1,117,396	0	0	1,108,326	1,117,396
Intergovernmental	368,914	414,711	0	0	368,914	414,711
Investment Earnings	133,268	148,335	0	0	133,268	148,335
Gain on Sale of Capital Asset	0	3,137	0	0	0	3,137
Miscellaneous	249,475	277,438	0	1,262	249,475	278,700
Total General Revenues	4,027,994	3,767,411	0	1,262	4,027,994	3,768,673
Total Revenues	12,718,214	12,595,162	204,071	1,262	12,922,285	12,596,424
Program Expenses						
General Government						
Legislative and Executive	1,893,245	1,727,163	0	0	1,893,245	1,727,163
Judicial	517,454	479,797	0	0	517,454	479,797
Public Safety	1,482,335	1,473,183	0	0	1,482,335	1,473,183
Public Works	3,501,949	3,565,188	0	0	3,501,949	3,565,188
Health	1,028,516	794,835	0	0	1,028,516	794,835
Human Services	2,812,038	3,403,151	0	0	2,812,038	3,403,151
Economic Development and Assistance	390,099	303,136	0	0	390,099	303,136
Economic Development and Assistance - External Portion	693,094	589,478	0	0	693,094	589,478
Interest and Fiscal Charges	34,752	35,578	0	0	34,752	35,578
Sewer	0	0	505,514	0	505,514	0
Total Expenses	12,353,482	12,371,509	505,514	0	12,858,996	12,371,509
Change in Net Assets	364,732	223,653	(301,443)	1,262	63,289	224,915
Restated Net Assets						
Beginning of Year	31,397,549	31,173,896	5,524,731	5,523,469	36,922,280	36,697,365
Net Assets End of Year	\$31,762,281	\$31,397,549	\$5,223,288	\$5,524,731	\$36,985,569	\$36,922,280

**Noble County
Management's Discussion and Analysis
For the Year Ended December 31, 2011**

Governmental Activities

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

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 2009 election. Property and sales taxes made up 26 percent of revenues for governmental activities for Noble County in the year 2011.

The largest governmental activities program expenses are public works and human services, which comprises 28 percent and 23 percent, respectively, of expenses. Each program expense remained relatively consistent from the prior year showing the County is trying to maintain expenses within allowable resources. The largest change was in the human services program which showed a decrease in the amount of \$591,113. In the prior year, this program was awarded additional grant funding leading to additional expenses. Interest expense during fiscal year 2011 was \$34,752 and was attributable to the outstanding bonds for jail construction and a capital lease for the purchase of equipment.

Business-Type Activities

The net assets for business-type activities decreased \$301,443 during 2011. Capital grants and contributions from intergovernmental receivables decreased from the prior year.

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 and interest.

Table 3

	Total Cost of Services <u>2011</u>	Net Cost of Services <u>2011</u>	Total Cost of Services <u>2010</u>	Net Cost of Services <u>2010</u>
General Government				
Legislative and Executive	\$1,893,245	\$970,918	\$1,727,163	\$987,407
Judicial	517,454	313,175	479,797	263,895
Public Safety	1,482,335	767,125	1,473,183	951,836
Public Works	3,501,949	190,348	3,565,188	166,804
Health	1,028,516	778,610	794,835	485,162
Human Services	2,812,038	448,622	3,403,151	208,641
Economic Development and Assistance	1,083,193	159,712	892,614	444,435
Interest and Fiscal Charges	34,752	34,752	35,578	35,578
Total Expenses	<u>\$12,353,482</u>	<u>\$3,663,262</u>	<u>\$12,371,509</u>	<u>\$3,543,758</u>

**Noble County
Management's Discussion and Analysis
For the Year Ended December 31, 2011**

Operating grants, contributions, and interest (77 percent) are the primary source of program revenues, whereas property taxes (54 percent) are the primary source of general revenues. The County's dependence upon tax revenues for the shortfall in program revenues is apparent. The net cost of \$970,918 in the legislative and executive program represents activities that serve the County's residents. As a result, this program relies on the general revenues of the County to support its activities. Other programs that have a large net cost are the public safety and health programs. To help reduce the tax burden and increase program revenues for public safety programs, the County has contracts for the housing of prisoners from other entities outside the County. Also, the voters have approved tax levies for the developmental disabilities program to provide general revenue for the implementation of this health program in the County.

The County's Funds

Governmental 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, unassigned fund balance of the General Fund was \$326,424 with a total fund balance of \$1,132,472. Unassigned fund balance represents 10 percent of expenditures. This is one measurement of the General Fund's liquidity. The fund balance of the General Fund decreased by only \$200. This is the result of the County remaining intent on matching expenditures with current revenue streams.

The Job and Family Services Special Revenue Fund balance decreased by \$6,264. This minimal change shows the County's success in keeping expenditures in line with current revenue streams.

The Motor Vehicle and Gasoline Tax Special Revenue Fund balance increased by \$179,922 from 2010. This increase is primarily the result of a decrease in spending relating to roads and bridges maintenance.

The Community Development Block Grant Special Revenue Fund balance decreased \$115,438 from 2010. Even though there are grants to be received from the state and federal governments, the majority of that revenue is deferred and not shown as part of this net change in fund balance.

The Developmental Disabilities Special Revenue Fund balance decreased by only \$4,791. This change reflects this fund's success in keeping expenditures in line with current year revenue streams.

Proprietary Fund - The County maintains one type of proprietary fund – enterprise. Enterprise funds are used to report functions presented as business-type activities on the government-wide financial statements. The County uses an enterprise fund to account for the Sewer Fund activities. As of December 31, 2011, net assets for the County's enterprise fund were \$5,223,288. Of that total, \$271,722 represents unrestricted net assets that are available for spending at the County's discretion.

General Fund Budgeting Highlights

The County's budget is prepared according to Ohio law and is based on accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. By State statute, the Board of County Commissioners adopts a permanent annual operating budget for the County prior to the first day of April.

**Noble County
Management's Discussion and Analysis
For the Year Ended December 31, 2011**

During the course of fiscal year 2011 the County's original budget was adequate enough to also suffice as the final budget. Therefore, no amendments were deemed necessary.

For the General Fund, final budgeted estimates were in line with final actual results. Any variances were immaterial.

The County's General Fund ending unobligated cash balance was \$554,595 above the final budgeted amounts primarily due to conservative estimates for sales taxes and direct charges to users for services.

Capital Assets and Debt Administration

Capital Assets

The County's capital assets for governmental and business-type activities as of December 31, 2011, were \$28,758,248 (net of accumulated depreciation). This includes land, construction in progress, buildings and improvements, machinery, equipment, furniture and fixtures, vehicles, and infrastructure. Table 4 shows fiscal year 2011 balances compared to 2010 after accumulated depreciation of \$9,200,974 and \$8,616,747, respectively:

Table 4
Capital Assets
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
Land	\$794,086	\$794,086	\$12,500	\$0	\$806,586	\$794,086
Construction in Progress	291,743	11,297	0	4,942,729	291,743	4,954,026
Gravel Roads/Bases	12,530,356	12,530,356	0	0	12,530,356	12,530,356
Buildings and Improvements	2,595,197	2,674,504	0	0	2,595,197	2,674,504
Machinery, Equipment, Furniture and Fixtures	855,866	972,017	0	0	855,866	972,017
Vehicles	222,190	123,714	0	0	222,190	123,714
Infrastructure	6,228,469	6,393,568	5,227,841	0	11,456,310	6,393,568
Total Capital Assets	\$23,517,907	\$23,499,542	\$5,240,341	\$4,942,729	\$28,758,248	\$28,442,271

For governmental activities, major capital asset additions during 2011 included work on the County's roads and bridges and a roof replacement, along with other building improvements made to the County health department. For business-type activities, major capital asset additions during 2011 included work on construction in progress relating to sanitary sewer extension projects in the County. The net decrease in book value amounts from the prior year results from current year depreciation exceeding current year capitalizations. See Note 11 for more detailed information on the County's capital assets.

Debt

At December 31, 2011 the County had \$640,878 in outstanding long-term debt with \$102,653 due within one year. Table 5 outlines the long-term debt held by the County during 2011 and 2010.

**Noble County
Management's Discussion and Analysis
For the Year Ended December 31, 2011**

Table 5
Long-Term Debt

	Governmental Activities		Business-Type Activities		Total	
	2011	2010	2011	2010	2011	2010
General Obligation Bonds	\$400,000	\$500,000	\$0	\$0	\$400,000	\$500,000
Capital Leases	2,653	5,740	0	0	2,653	5,740
OWDA Loan	0	0	238,225	244,332	238,225	244,332
Total Long-Term Debt	\$402,653	\$505,740	\$238,225	\$244,332	\$640,878	\$750,072

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. 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. The OWDA Loan was issued during 2009 through 2011 for the purpose of planning, designing, and construction of a sanitary sewer line. 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.

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 Jodi Parrish-Polen, Auditor of Noble County, Courthouse, Caldwell, Ohio 43724.

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Noble County, Ohio
Statement of Net Assets
December 31, 2011

	Primary Government		Total
	Governmental Activities	Business-Type Activities	
Assets			
Equity in Pooled Cash and Cash Equivalents	\$5,737,571	\$101,733	\$5,839,304
Cash and Cash Equivalents with Fiscal Agents	267,215	0	267,215
Materials and Supplies Inventory	252,811	0	252,811
Accrued Interest Receivable	8,353	0	8,353
Accounts Receivable	18,608	83,418	102,026
Internal Balance	1,000	(1,000)	0
Prepaid Items	87,582	0	87,582
Sales Taxes Receivable	280,753	0	280,753
Property Taxes Receivable	2,419,526	0	2,419,526
Intergovernmental Receivable	2,877,995	96,838	2,974,833
Loans Receivable	24,404	0	24,404
Non-Depreciable Capital Assets	13,616,185	12,500	13,628,685
Depreciable Capital Assets, Net	9,901,722	5,227,841	15,129,563
<i>Total Assets</i>	<u>35,493,725</u>	<u>5,521,330</u>	<u>41,015,055</u>
Liabilities			
Accrued Wages and Benefits	129,767	208	129,975
Intergovernmental Payable	305,612	3,321	308,933
Accounts Payable	136,974	5,738	142,712
Contracts Payable	61,887	48,897	110,784
Retainage Payable	11,333	1,653	12,986
Accrued Interest Payable	2,482	0	2,482
Deferred Revenue	2,138,053	0	2,138,053
Long-Term Liabilities:			
Due Within One Year	267,442	0	267,442
Due In More Than One Year	677,894	238,225	916,119
<i>Total Liabilities</i>	<u>3,731,444</u>	<u>298,042</u>	<u>4,029,486</u>
Net Assets			
Invested in Capital Assets, Net of Related Debt	23,115,254	4,951,566	28,066,820
Restricted for:			
Debt Service	199,123	0	199,123
Public Assistance	15,826	0	15,826
Motor Vehicle Registration	2,542,438	0	2,542,438
Developmental Disabilities	969,386	0	969,386
Community Development	832,809	0	832,809
Real Estate Assessment	516,545	0	516,545
Human Services	813,460	0	813,460
Other Purposes	1,529,672	0	1,529,672
Unrestricted	1,227,768	271,722	1,499,490
<i>Total Net Assets</i>	<u>\$31,762,281</u>	<u>\$5,223,288</u>	<u>\$36,985,569</u>

See accompanying notes to the basic financial statements

Noble County, Ohio
Statement of Activities
For the Year Ended December 31, 2011

	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	Business-Type Activities	Total
Governmental Activities:							
General Government:							
Legislative and Executive	\$1,893,245	\$916,200	\$6,127	\$0	(\$970,918)	\$0	(\$970,918)
Judicial	517,454	191,473	12,806	0	(313,175)	0	(313,175)
Public Safety	1,482,335	307,282	407,928	0	(767,125)	0	(767,125)
Public Works	3,501,949	71,374	3,207,710	32,517	(190,348)	0	(190,348)
Health	1,028,516	35,065	214,841	0	(778,610)	0	(778,610)
Human Services	2,812,038	477,647	1,885,769	0	(448,622)	0	(448,622)
Economic Development and Assistance	390,099	0	894,167	0	504,068	0	504,068
Economic Development and Assistance - External Portion	693,094	0	29,314	0	(663,780)	0	(663,780)
Interest and Fiscal Charges	34,752	0	0	0	(34,752)	0	(34,752)
<i>Total Governmental Activities</i>	<u>12,353,482</u>	<u>1,999,041</u>	<u>6,658,662</u>	<u>32,517</u>	<u>(3,663,262)</u>	<u>0</u>	<u>(3,663,262)</u>
Business-Type Activities:							
Sewer	505,514	39,646	0	164,425	0	(301,443)	(301,443)
<i>Total Business-Type Activities</i>	<u>505,514</u>	<u>39,646</u>	<u>0</u>	<u>164,425</u>	<u>0</u>	<u>(301,443)</u>	<u>(301,443)</u>
<i>Total Primary Government</i>	<u>\$12,858,996</u>	<u>\$2,038,687</u>	<u>\$6,658,662</u>	<u>\$196,942</u>	<u>(3,663,262)</u>	<u>(301,443)</u>	<u>(3,964,705)</u>
General Revenues							
Property Taxes Levied for General Purposes					728,276	0	728,276
Property Taxes Levied for:							
Public Works					275,953	0	275,953
Health					696,815	0	696,815
Human Services					349,671	0	349,671
Debt Service					117,296	0	117,296
Sales Taxes Levied for General Purposes					1,108,326	0	1,108,326
Grants and Entitlements not Restricted to Specific Program:					368,914	0	368,914
Investment Earnings					133,268	0	133,268
Miscellaneous					249,475	0	249,475
<i>Total General Revenues</i>					<u>4,027,994</u>	<u>0</u>	<u>4,027,994</u>
<i>Change in Net Assets</i>					364,732	(301,443)	63,289
Net Assets Beginning of Year - Restated (See Note 3)					<u>31,397,549</u>	<u>5,524,731</u>	<u>36,922,280</u>
<i>Net Assets End of Year</i>					<u>\$31,762,281</u>	<u>\$5,223,288</u>	<u>\$36,985,569</u>

See accompanying notes to the basic financial statements

**Noble County, Ohio
Balance Sheet
Governmental Funds
December 31, 2011**

	General	Job and Family Services	Motor Vehicle and Gasoline Tax	Community Development Block Grant	Developmental Disabilities	Other Governmental Funds	Total Governmental Funds
Assets							
Equity in Pooled Cash and Cash Equivalents	\$919,219	\$277,721	\$1,079,672	\$32,248	\$642,845	\$2,686,318	\$5,638,023
Cash and Cash Equivalents with Fiscal Agents	0	0	0	0	267,215	0	267,215
Sales Tax Receivable	280,753	0	0	0	0	0	280,753
Materials and Supplies Inventory	31,157	2,500	215,237	1,417	900	1,600	252,811
Accounts Receivable	9,743	0	0	0	0	8,865	18,608
Intergovernmental Receivable	188,861	2,920	1,534,757	873,000	28,782	249,675	2,877,995
Interfund Receivable	138,311	108,629	0	0	0	0	246,940
Prepaid Items	24,331	10,821	3,025	56	4,832	44,517	87,582
Accrued Interest Receivable	7,105	0	1,248	0	0	0	8,353
Property Taxes Receivable	784,333	0	0	0	423,645	1,211,548	2,419,526
Loans Receivable	0	0	0	0	0	24,404	24,404
Restricted Cash and Cash Equivalents	99,548	0	0	0	0	0	99,548
Total Assets	\$2,483,361	\$402,591	\$2,833,939	\$906,721	\$1,368,219	\$4,226,927	\$12,221,758

Liabilities and Fund Balances

Liabilities

Accounts Payable	\$26,198	\$7,010	\$84,133	\$170	\$826	\$18,637	\$136,974
Accrued Wages Payable	42,935	29,666	39,247	142	3,443	14,334	129,767
Contracts Payable	0	0	0	61,887	0	0	61,887
Retainage Payable	0	0	0	11,333	0	0	11,333
Interfund Payable	399	94,882	0	0	0	150,659	245,940
Intergovernmental Payable	148,381	94,933	32,820	380	17,188	11,910	305,612
Deferred Revenue	1,132,976	94,718	1,036,249	853,500	452,427	1,417,250	4,987,120
Total Liabilities	1,350,889	321,209	1,192,449	927,412	473,884	1,612,790	5,878,633

Fund Balances

Nonspendable	155,036	13,321	218,262	1,473	5,732	70,521	464,345
Restricted	0	68,061	1,423,228	0	888,603	2,611,749	4,991,641
Assigned	651,012	0	0	0	0	0	651,012
Unassigned (Deficit)	326,424	0	0	(22,164)	0	(68,133)	236,127
Total Fund Balances (Deficit)	1,132,472	81,382	1,641,490	(20,691)	894,335	2,614,137	6,343,125
Total Liabilities and Fund Balances	\$2,483,361	\$402,591	\$2,833,939	\$906,721	\$1,368,219	\$4,226,927	

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.	23,517,907
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Other long-term assets are not available to pay for current-period expenditures and, therefore, deferred in the funds:

Property Taxes Receivable	281,473	
Sales Tax Receivable	101,422	
Accounts Receivable	229,990	
Grants	2,236,182	
Total Other Long-Term Assets		2,849,067

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	(400,000)	
Compensated Absences	(542,683)	
Capital Leases Payable	(2,653)	
Accrued Interest Payable	(2,482)	
Total Long-Term Liabilities		(947,818)

Net Assets of Governmental Activities	<u><u>\$31,762,281</u></u>
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See accompanying notes to the basic financial statements

Noble County, Ohio
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2011

	General	Job and Family Services	Motor Vehicle and Gasoline Tax	Community Development Block Grant	Developmental Disabilities	Other Governmental Funds	Total Governmental Funds
Revenues							
Property Taxes	\$743,272	\$0	\$0	\$0	\$353,367	\$1,123,086	\$2,219,725
Sales Taxes	1,098,781	0	0	0	0	0	1,098,781
Charges for Services	791,892	351,392	0	0	0	634,989	1,778,273
Licenses and Permits	2,379	0	0	0	0	55	2,434
Fines and Forfeitures	61,613	0	11,329	0	0	6,439	79,381
Intergovernmental	392,926	1,431,504	3,202,003	549,440	150,081	1,027,363	6,753,317
Interest	133,268	0	19,088	0	0	720	153,076
Rent	10,980	0	0	0	355	0	11,335
Contributions and Donations	2,630	0	0	0	421	6,436	9,487
Other	92,333	40,580	80,886	5,596	8,610	22,870	250,875
<i>Total Revenues</i>	<u>3,330,074</u>	<u>1,823,476</u>	<u>3,313,306</u>	<u>555,036</u>	<u>512,834</u>	<u>2,821,958</u>	<u>12,356,684</u>
Expenditures							
Current:							
General Government:							
Legislative and Executive	1,670,214	0	0	0	0	150,068	1,820,282
Judicial	421,967	0	0	0	0	80,504	502,471
Public Safety	985,084	0	0	0	0	395,026	1,380,110
Public Works	0	0	3,263,906	0	0	141,394	3,405,300
Health	18,361	0	0	0	517,625	485,111	1,021,097
Human Services	139,318	1,852,003	0	0	0	778,575	2,769,896
Economic Development and Assistance	0	0	0	670,545	0	0	670,545
Capital Outlay	0	0	0	0	0	32,611	32,611
Intergovernmental	0	0	0	0	0	249,545	249,545
Debt Service:							
Principal Retirement	0	0	0	75,000	0	103,087	178,087
Interest and Fiscal Charges	0	0	0	0	0	35,214	35,214
<i>Total Expenditures</i>	<u>3,234,944</u>	<u>1,852,003</u>	<u>3,263,906</u>	<u>745,545</u>	<u>517,625</u>	<u>2,451,135</u>	<u>12,065,158</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>95,130</u>	<u>(28,527)</u>	<u>49,400</u>	<u>(190,509)</u>	<u>(4,791)</u>	<u>370,823</u>	<u>291,526</u>
Other Financing Sources (Use)							
OWDA Loans Received	0	0	0	75,000	0	0	75,000
Proceeds from the Sale of Capital Assets	450	0	7,500	0	0	0	7,950
Transfers In	0	22,263	123,022	71	0	73,446	218,802
Transfers Out	(95,780)	0	0	0	0	(123,022)	(218,802)
<i>Total Other Financing Sources (Use)</i>	<u>(95,330)</u>	<u>22,263</u>	<u>130,522</u>	<u>75,071</u>	<u>0</u>	<u>(49,576)</u>	<u>82,950</u>
<i>Net Change in Fund Balances</i>	<u>(200)</u>	<u>(6,264)</u>	<u>179,922</u>	<u>(115,438)</u>	<u>(4,791)</u>	<u>321,247</u>	<u>374,476</u>
Fund Balances at Beginning of Year - Restated (See Note 3)	<u>1,132,672</u>	<u>87,646</u>	<u>1,461,568</u>	<u>94,747</u>	<u>899,126</u>	<u>2,292,890</u>	<u>5,968,649</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$1,132,472</u>	<u>\$81,382</u>	<u>\$1,641,490</u>	<u>(\$20,691)</u>	<u>\$894,335</u>	<u>\$2,614,137</u>	<u>\$6,343,125</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, 2011

Net Change in Fund Balances - Governmental Funds		\$374,476
<i>Amounts reported for governmental activities in the statement of activities are different because:</i>		
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation in the current period:		
Capital Asset Additions	713,299	
Current Year Depreciation	<u>(627,391)</u>	
Total		85,908
An asset granted to another government is an expenditure in the statement of activities.		
		(443,549)
Governmental funds only report the disposal of assets to the extent proceeds are received from the sale. In the statement of activities, a gain or loss is reported for each disposal. This is the amount of the loss on the disposal of assets.		
		(67,543)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds:		
Property Taxes	(51,714)	
Sales Taxes	9,545	
Charges for Services	143,863	
Miscellaneous	(1,400)	
Intergovernmental	<u>261,236</u>	
Total		361,530
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	75,000	
Capital Leases	<u>3,087</u>	
Total		178,087
Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of activities.		
		462
Proceeds of loans is reported as an other financing source, but the issuance increases long-term liabilities on the statement of net assets.		
		(75,000)
Expenses reported in the statement of activities relating to compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
		<u>(49,639)</u>
Change in Net Assets of Governmental Activities		<u><u>\$364,732</u></u>

See accompanying notes to the basic financial statements

Noble County, Ohio
Statement of Revenues, Expenditures, and Changes
In Fund Balance - Budget (Non-GAAP Basis) and Actual
General Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with
	<u>Original</u>	<u>Final</u>		Final Budget Positive (Negative)
Revenues				
Property Taxes	\$626,130	\$626,130	\$740,683	\$114,553
Sales Taxes	1,050,000	1,050,000	1,089,850	39,850
Charges for Services	747,070	747,070	757,872	10,802
Licenses and Permits	1,790	1,790	2,379	589
Fines and Forfeitures	56,830	56,830	61,613	4,783
Intergovernmental	405,280	405,280	395,127	(10,153)
Interest	152,730	152,730	134,161	(18,569)
Rent	11,880	11,880	10,620	(1,260)
Contributions and Donations	0	0	2,630	2,630
Other	28,153	28,153	98,273	70,120
<i>Total Revenues</i>	<u>3,079,863</u>	<u>3,079,863</u>	<u>3,293,208</u>	<u>213,345</u>
Expenditures				
Current:				
General Government:				
Legislative and Executive	1,783,354	1,783,354	1,605,821	177,533
Judicial	512,359	512,359	441,684	70,675
Public Safety	1,077,200	1,077,200	1,004,098	73,102
Public Works	1,000	1,000	0	1,000
Health	27,423	27,423	19,943	7,480
Human Services	142,198	142,198	139,940	2,258
<i>Total Expenditures</i>	<u>3,543,534</u>	<u>3,543,534</u>	<u>3,211,486</u>	<u>332,048</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(463,671)</u>	<u>(463,671)</u>	<u>81,722</u>	<u>545,393</u>
Other Financing Sources (Uses)				
Proceeds from the Sale of Capital Assets	3,097	3,097	450	(2,647)
Advances In	0	0	73,897	73,897
Advances Out	0	0	(91,397)	(91,397)
Transfers Out	(125,129)	(125,129)	(95,780)	29,349
<i>Total Other Financing Sources (Uses)</i>	<u>(122,032)</u>	<u>(122,032)</u>	<u>(112,830)</u>	<u>9,202</u>
<i>Net Change in Fund Balance</i>	(585,703)	(585,703)	(31,108)	554,595
Fund Balance at Beginning of Year	860,976	860,976	860,976	0
Prior Year Encumbrances Appropriated	<u>48,613</u>	<u>48,613</u>	<u>48,613</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$323,886</u></u>	<u><u>\$323,886</u></u>	<u><u>\$878,481</u></u>	<u><u>\$554,595</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
Job and Family Services Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Charges for Services	\$983,860	\$983,860	\$394,150	(\$589,710)
Intergovernmental	2,397,629	2,359,129	1,335,559	(1,023,570)
Other	113,320	113,320	37,675	(75,645)
<i>Total Revenues</i>	<u>3,494,809</u>	<u>3,456,309</u>	<u>1,767,384</u>	<u>(1,688,925)</u>
Expenditures				
Current:				
Human Services	<u>3,217,678</u>	<u>2,881,678</u>	<u>1,855,954</u>	<u>1,025,724</u>
<i>Excess of Revenues Over Expenditures</i>	<u>277,131</u>	<u>574,631</u>	<u>(88,570)</u>	<u>(663,201)</u>
Other Financing Source				
Transfers In	<u>34,160</u>	<u>34,160</u>	<u>22,263</u>	<u>(11,897)</u>
<i>Net Change in Fund Balance</i>	311,291	608,791	(66,307)	(675,098)
Fund Balance at Beginning of Year	300,739	300,739	300,739	0
Prior Year Encumbrances Appropriated	<u>23,076</u>	<u>23,076</u>	<u>23,076</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$635,106</u></u>	<u><u>\$932,606</u></u>	<u><u>\$257,508</u></u>	<u><u>(\$675,098)</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, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Fines and Forfeitures	\$9,990	\$9,990	\$11,329	\$1,339
Intergovernmental	3,229,558	3,262,077	3,216,393	(45,684)
Interest	22,090	22,090	19,144	(2,946)
Other	100,830	100,830	85,960	(14,870)
<i>Total Revenues</i>	<u>3,362,468</u>	<u>3,394,987</u>	<u>3,332,826</u>	<u>(62,161)</u>
Expenditures				
Current:				
Public Works	4,205,556	4,205,556	3,462,800	742,756
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(843,088)</u>	<u>(810,569)</u>	<u>(129,974)</u>	<u>680,595</u>
Other Financing Sources				
Proceeds from Sale of Capital Assets	7,500	7,500	7,500	0
Transfers In	0	0	123,022	123,022
<i>Total Other Financing Sources</i>	<u>7,500</u>	<u>7,500</u>	<u>130,522</u>	<u>123,022</u>
<i>Net Change in Fund Balance</i>	(835,588)	(803,069)	548	803,617
Fund Balance at Beginning of Year	542,231	542,231	542,231	0
Prior Year Encumbrances Appropriated	293,357	293,357	293,357	0
<i>Fund Balance at End of Year</i>	<u>\$0</u>	<u>\$32,519</u>	<u>\$836,136</u>	<u>\$803,617</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
Community Development Block Grant Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Intergovernmental	\$896,524	\$908,926	\$556,732	(\$352,194)
Other	0	600	5,596	4,996
<i>Total Revenues</i>	<u>896,524</u>	<u>909,526</u>	<u>562,328</u>	<u>(347,198)</u>
Expenditures				
Current:				
Community and Economic Development	925,370	1,055,370	686,613	368,757
Debt Service:				
Principal Retirement	0	0	75,000	(75,000)
<i>Total Expenditures</i>	<u>925,370</u>	<u>1,055,370</u>	<u>761,613</u>	<u>293,757</u>
<i>Excess of Revenues Under Expenditures</i>	<u>(28,846)</u>	<u>(145,844)</u>	<u>(199,285)</u>	<u>(53,441)</u>
Other Financing Sources (Use)				
Proceeds of OWDA Loans	0	75,000	75,000	0
Advances In	0	0	14,250	14,250
Advances Out	0	0	(14,250)	(14,250)
Transfers In	0	0	71	71
<i>Total Other Financing Sources (Use)</i>	<u>0</u>	<u>75,000</u>	<u>75,071</u>	<u>71</u>
<i>Net Change in Fund Balance</i>	(28,846)	(70,844)	(124,214)	(53,370)
Fund Balance at Beginning of Year	25,565	25,565	25,565	0
Prior Year Encumbrances Appropriated	47,602	47,602	47,602	0
<i>Fund Balance (Deficit) at End of Year</i>	<u>\$44,321</u>	<u>\$2,323</u>	<u>(\$51,047)</u>	<u>(\$53,370)</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
Developmental Disabilities Fund
For the Year Ended December 31, 2011

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$269,370	\$269,370	\$351,279	\$81,909
Intergovernmental	155,680	155,680	162,131	6,451
Rent	0	0	355	355
Contributions and Donations	0	0	421	421
Other	44,750	44,750	8,610	(36,140)
<i>Total Revenues</i>	<u>469,800</u>	<u>469,800</u>	<u>522,796</u>	<u>52,996</u>
Expenditures				
Current:				
Health	<u>621,526</u>	<u>621,526</u>	<u>527,690</u>	<u>93,836</u>
<i>Net Change in Fund Balance</i>	(151,726)	(151,726)	(4,894)	146,832
Fund Balance at Beginning of Year	898,048	898,048	898,048	0
Prior Year Encumbrances Appropriated	<u>26</u>	<u>26</u>	<u>26</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$746,348</u></u>	<u><u>\$746,348</u></u>	<u><u>\$893,180</u></u>	<u><u>\$146,832</u></u>

See accompanying notes to the basic financial statements

Noble County, Ohio
Statement of Fund Net Assets
Proprietary Fund
December 31, 2011

	Business-Type Activity Sewer
Assets	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$101,733
Accounts Receivable	83,418
Intergovernmental Receivable	96,838
<i>Total Current Assets</i>	281,989
Noncurrent Assets:	
Non-Depreciable Capital Assets	12,500
Depreciable Capital Assets, Net	5,227,841
<i>Total Noncurrent Assets</i>	5,240,341
 <i>Total Assets</i>	 5,522,330
Liabilities	
Current Liabilities:	
Accrued Wages and Benefits	208
Intergovernmental Payable	3,321
Accounts Payable	5,738
Contracts Payable	48,897
Interfund Payable	1,000
Retainage Payable	1,653
<i>Total Current Liabilities</i>	60,817
Long-Term Liabilities (Net of Current Portion):	
OWDA Loans Payable	238,225
<i>Total Liabilities</i>	299,042
Net Assets	
Invested in Capital Assets, Net of Related Debt	4,951,566
Unrestricted	271,722
<i>Total Net Assets</i>	\$5,223,288

See accompanying notes to the basic financial statements

Noble County, Ohio
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Fund
For the Year Ended December 31, 2011

	Business-Type Activity Sewer
Operating Revenues	
Charges for Services	\$39,646
Operating Expenses	
Personal Services	1,713
Contractual Services	117,509
Materials and Supplies	2,283
Depreciation	115,262
<i>Total Operating Expenses</i>	236,767
<i>Operating Loss</i>	(197,121)
Non-Operating Revenues (Expenses)	
Capital Grants and Contributions	6,108
Loss on Disposal of Capital Assets	(268,747)
<i>Total Non-Operating Revenues (Expenses)</i>	(262,639)
<i>Loss Before Contributions</i>	(459,760)
Capital Contributions from Customers	158,317
<i>Change in Net Assets</i>	(301,443)
Net Assets Beginning of Year - Restated (See Note 3)	5,524,731
<i>Net Assets End of Year</i>	\$5,223,288

See accompanying notes to the basic financial statements

Noble County, Ohio
Statement of Cash Flows
Proprietary Fund
For the Year Ended December 31, 2011

	Business-Type Activity
	Sewer
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities	
Cash Received from Customers	\$26,206
Cash Payments for Employee Services and Benefits	(1,382)
Cash Payments for Goods and Services	(331,216)
<i>Net Cash Used for Operating Activities</i>	(306,392)
Cash Flows from Capital and Related Financing Activities	
Tap In Fees	88,339
Payments for Capital Acquisitions	(681,621)
Proceeds from Capital Grants	951,900
Principal Paid on OWDA Loans	(908,692)
Proceeds from OWDA Loans	902,585
<i>Net Cash Provided by Capital and Related Financing Activities</i>	352,511
<i>Net Increase in Cash and Cash Equivalents</i>	46,119
Cash and Cash Equivalents Beginning of Year	55,614
<i>Cash and Cash Equivalents End of Year</i>	\$101,733
Reconciliation of Operating Loss to Net Cash Used for Operating Activities	
Operating Loss	(\$197,121)
Adjustment:	
Depreciation	\$115,262
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	(13,440)
Increase in Accounts Payable	5,738
Decrease in Contracts Payable	(23,704)
Increase in Accrued Wages and Benefits	208
Decrease in Retainage Payable	(197,656)
Increase in Interfund Payable	1,000
Increase in Intergovernmental Payable	3,321
<i>Net Cash Used for Operating Activities</i>	(306,392)

See accompanying notes to the basic financial statements

Noble County, Ohio
Statement of Fiduciary Assets and Liabilities
Agency Funds
December 31, 2011

Assets	
Equity in Pooled Cash and Cash Equivalents	\$2,335,496
Cash and Cash Equivalents in Segregated Accounts	163,151
Accounts Receivable	153,393
Property Taxes Receivable	10,671,301
Intergovernmental Receivable	<u>1,513,720</u>
<i>Total Assets</i>	<u><u>\$14,837,061</u></u>
Liabilities	
Intergovernmental Payable	\$13,081,766
Deposits Held and Due to Others	121,195
Undistributed Monies	<u>1,634,100</u>
<i>Total Liabilities</i>	<u><u>\$14,837,061</u></u>

See accompanying notes to the basic financial statements

Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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 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
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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 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 21, 22, and 23 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
Oakview Juvenile Residential Center
Ohio Valley Employment Resource (OVER)
Mid Eastern Ohio Regional Council of Governments (MEORC)
Noble County Metropolitan Housing Authority
Noble County Airport Authority

Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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 County also applies Financial Accounting Standards Board (FASB) statements and interpretations entered into on or before November 30, 1989, to its governmental and business-type activities and to its proprietary funds unless those pronouncements conflict with or contradict GASB pronouncements. The County has elected not to apply Financial Accounting Standards Board (FASB) statements and interpretations entered into after November 30, 1989, to its enterprise funds and business-type activities. 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 statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

The Statement of Net Assets presents the financial condition of the governmental and business-type activities of the County at year-end. The Statement of Activities presents a comparison between direct expenses and program revenues for each program or function of the County's governmental activities and for the business-type activities of the County. Direct expenses are those that are specifically associated with a service, program or department and therefore clearly identifiable to a particular function. The policy of the County is to not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipient of the goods or services offered by the program, grants and contributions that are restricted to meeting the operational or capital requirements of a particular program and interest earned on grants that is required to be used to support a particular program. Revenues which are not classified as program revenues are presented as general revenues of the County, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each 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 and enterprise fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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. There are three categories of funds: governmental, proprietary, and fiduciary.

Governmental Funds Governmental funds are those through which most governmental functions typically are financed. Governmental fund reporting focuses on the sources, uses and balances of current financial resources. Expendable assets are assigned to the various governmental funds according to the purposes for which they may or must be used. Current liabilities are assigned to the fund from which they will be paid. 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.

Community Development Block Grant Fund To account for revenue from the federal government used for a revolving loan program and for improvements to targeted areas within the County.

Developmental Disabilities Fund To account for the expenditures related to the 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.

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

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

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

Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g., expenses) in total 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.

Like the government-wide statements, all proprietary fund types are accounted for on a flow of economic resources measurement focus. All assets and liabilities associated with the operation of these funds are included on the Statement of Net Assets. The Statement of Changes in Revenues, Expenses, and Changes in Fund Net Assets presents increases (i.e., revenues) and decreases (i.e., expenses) in net total assets. The Statement of Cash Flows provides information about how the County finances and meets the cash flow needs of its proprietary activities.

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. Proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and 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.

Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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, 2011, but which were levied to finance year 2012 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.

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.

Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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 2011, investments were limited to negotiable certificates of deposit (CDARS) and 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 2011 amounted to \$133,268 which includes \$119,941 assigned from other County funds.

G. Restricted Assets

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

H. Inventory of Supplies

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, collectability.

Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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, 2011, 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 those assets not specifically related to activities reported in the proprietary funds. These assets 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. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide statement of net assets and in the funds.

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. The County was able to estimate the historical cost for the initial reporting of infrastructure by back trending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price level to deflate the cost to the acquisition year or estimated acquisition year). Donated fixed assets are recorded at their fair market values as of the date received. The County maintains a capitalization threshold of ten thousand dollars. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Interest costs incurred during the construction of capital assets utilized by the enterprise funds are also capitalized.

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

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

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

Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

L. Interfund Balances

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

M. Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees’ rights to receive compensation are attributable to services already rendered and it is probable the County will compensate the employees for the benefits through paid time off or some other means. The County records a liability for accumulated unused vacation time when earned for all employees with more than one year of service. Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the County has identified as probable of receiving payment in the future. The amount is based on accumulated sick leave and employee wage rates at year-end taking into consideration any limits specified in the County’s termination policy. The County records a liability for sick leave for employees after ten years of service at varying rates depending on County policy.

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

N. Accrued Liabilities and Long-term Obligations

All payables, accrued liabilities and long-term obligations are reported in the government-wide financial statements, and all payables, accrued liabilities, and long-term obligations payable from proprietary funds are reported in the proprietary fund financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources, are reported as obligations of the funds. However, 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, long-term loans, and capital leases payable are recognized as a liability in the fund financial statements when due.

O. Capital Contributions

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

Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

P. Fund Balance

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

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

Restricted Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions or enabling legislation (County resolutions).

Enabling legislation authorizes the County to assess, levy, charge, or otherwise mandate payment of resources (from external resource providers) and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation. Legal enforceability means that the County can be compelled by an external party, such as citizens, public interest groups, or the judiciary to use resources created by enabling legislation only for the purposes specific by the legislation.

Committed The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the County Commissioners. Those committed amounts cannot be used for any other purpose unless the Commissioners removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. In contrast to fund balance that is restricted by enabling legislation, committed fund balance classification may be redeployed for other purposes with appropriate due process. Constraints imposed on the use of committed amounts are imposed by County Commissioners, separate from the authorization to raise the underlying revenue; therefore, compliance with these constraints is not considered to be legally enforceable. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the County Commissioners or a County official delegated that authority by resolution or by State Statute.

Unassigned Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Q. 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 developmentally disabled, and services for community development. The County applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net assets are available.

R. Internal Activity

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

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

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

S. 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 2011.

T. Operating Revenues and Expenses

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

U. 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.

Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 3 - Change in Accounting Principles and Restatement of Fund Balances/Net Assets

For 2011, the County has implemented Governmental Accounting Standards Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" and Statement No. 59, "Financial Statements Omnibus".

GASB Statement No. 54 addresses the classification of governmental fund balance and clarifies the governmental fund type definitions. The implementation of this Statement resulted in the fund balance of governmental funds being assigned to the appropriate accounts as defined by the Statement which did not result in the restatement of total fund balance. The implementation of this Statement also resulted in two funds that were previously reported as special revenue funds now combined with the General Fund.

GASB Statement No. 59 addresses significant practice issues that have arisen when accounting for financial instruments and external investment pools. The implementation of this statement did not result in any change to the County's financial statements.

A prior period adjustment was made to the Sewer Enterprise Fund due to a correction of an error in Intergovernmental Receivables as previously reported.

The implementation of GASB Statement No. 54 and the correction of the prior year receivable accrual, had the following effect on fund balances of the major and nonmajor governmental funds as previously reported:

	General	Other Governmental Funds	Sewer Enterprise
Fund Balance/Net Assets at December 31, 2010	\$1,014,462	\$2,411,100	\$5,579,083
GASB 54 Change in Fund Structure	118,210	(118,210)	0
Receivable Restatement	0	0	(54,352)
Adjusted Fund Balance/Net Assets at December 31, 2010	<u>\$1,132,672</u>	<u>\$2,292,890</u>	<u>\$5,524,731</u>

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).

Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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 restricted, committed, or assigned fund balance (GAAP basis).
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 and Major Special Revenue Funds				
	General	Job and Family Services	Motor Vehicle and Gasoline Tax	CDBG	Developmental Disabilities
GAAP Basis	(\$200)	(\$6,264)	\$179,922	(\$115,438)	(\$4,791)
Net Adjustment for Revenue Accruals	13,573	(56,092)	19,334	7,292	12,050
Beginning of the Year:					
Unrecorded Cash	25,995	0	731	0	0
Agency Fund Cash Allocation	18,310	0	0	0	14,766
Prepaid Items	11,609	7,764	1,704	37	12,386
End of the Year:					
Unrecorded Cash	(73,845)	0	(545)	0	0
Agency Fund Cash Allocation	(20,899)	0	0	0	(16,854)
Prepaid Items	(24,331)	(10,821)	(3,025)	(56)	(4,832)
Net Adjustment for Expenditure Accruals	81,722	19,319	45,418	67,246	(17,593)
Advances In	8,700	0	0	0	0
Advances Out	(26,200)	0	0	0	0
Encumbrances	(45,542)	(20,213)	(242,991)	(83,295)	(26)
Budget Basis	<u>(\$31,108)</u>	<u>(\$66,307)</u>	<u>\$548</u>	<u>(\$124,214)</u>	<u>(\$4,894)</u>

Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 5 - Accountability and Compliance

A. Accountability

The following funds had deficit fund balances as of December 31, 2011. 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 deficits occur.

Fund Type/Fund	Deficit
Special Revenue Funds:	
Community Development Block Grant	\$20,691
Crime Prevention Project Grant	10,684
Childrens Services	56,980
Law Library Resource	368

B. Compliance

The following account had expenses plus encumbrances in excess of appropriations contrary to Section 5705.41, Revised Code:

Fund Type/Fund	Excess
General Fund	
Legislative and Executive	
Insurance and Fringe	
Fringe Benefits	\$8,271
Other	
Other	7,580
Contingency	
Contractual Services	32,787
Special Revenue Funds:	
Community Developemnt Block Grant	
Debt Service	
Principal Retirement	75,000
Developmental Disabilities	
Health	
Contractual Services	54,990
Delinquent Real Estate and Tax Collection	
Legislative and Executive	
Other	12,047
Mental Health	
Health	
Contractual Services	12,460
Cooperative Extension	
Intergovernmental	
Contractual Services	9,545
Jail Bond Retirement Debt Service Fund	
Debt Service	
Interest and Fiscal Charges	5,288
Sewer Enterprise Fund	
Principal Retirement	902,584

Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Contrary to section 5705.39, Revised Code, the Subsidy Grant and FEMA Special Revenue Funds and Sewer Enterprise Fund had appropriations exceeding estimated resources at year-end in the amounts of \$20,297, \$8,458 and \$4,846 respectively.

The County will more closely monitor budgetary procedures pertaining to violations of this nature in the future.

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 entered into by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivision are located wholly or partly within the County;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

6. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above, and repurchase agreements secured by such obligations, provided that these investments are made only through eligible institutions;
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;
9. Up to twenty-five percent of the County's average portfolio may be in either of the following:
 - a. Commercial paper notes in entities incorporated under the laws of Ohio or any other State that have assets exceeding five hundred million dollars 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 may be 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. One percent of the County's average portfolio in debt interests rated at the time of purchase in the three highest categories by two nationally recognized standard rating services and issued by foreign nations diplomatically recognized by the United States government.

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.

Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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, \$4,735,309 of the County's bank balance of \$8,839,498 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.

Investments As of December 31, 2011, the County had no investments which were 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, 2011, the County's Developmental Disabilities Special Revenue Fund had a cash balance of \$267,215 with MEORC, a jointly governed organization (see Note 22). 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 serves as Associate Director of Business, 160 Columbus Road, Mt. Vernon, Ohio 43050.

Note 7 - Property Taxes

Property taxes include amounts levied against all real and public utility property located in the County. Property tax revenue received during 2011 for real and public utility property taxes represents collections of 2010 taxes.

2011 real property taxes were levied after October 1, 2011, on the assessed value as of January 1, 2011, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2011 real property taxes are collected in and intended to finance 2012.

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.

Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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. 2011 public utility property taxes which became a lien December 31, 2010, were levied after October 1, 2011, and are collected in 2012 with real property taxes.

The full tax rate for all County operations for the year ended December 31, 2011, was \$10.75 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2011 property tax receipts were based are as follows:

Real Property	\$199,389,790
Public Utility Personal Property	<u>64,660,890</u>
Total Assessed Value	<u><u>\$264,050,680</u></u>

The County Treasurer collects property taxes on behalf of all taxing districts in the County. The County Auditor periodically remits to the taxing districts their portion of the taxes collected. The collection and distribution of taxes for all subdivisions, excluding the County itself, is accounted for through agency funds. The amount of the County's tax collections is accounted for within the applicable funds. Property taxes receivable represents real and public utility taxes and outstanding delinquencies which are measurable as of December 31, 2011, and for which there is an enforceable legal claim. In the General Fund, Developmental Disabilities, Mental Health, Ambulance Service Levy, Cooperative Extension, Senior Citizens Levy, Health and Local Soil Special Revenue Funds, and the Jail Bond Retirement Debt Service Fund, the entire receivable has been offset by deferred revenue since the current taxes were not levied to finance 2011 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 while the remainder of the receivable is deferred.

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.

Note 9 - Receivables

Receivables at December 31, 2011, primarily consisted of taxes, interfund, interest, accounts (billings for user charged services, including unbilled utility services), loans, and intergovernmental receivables arising from grants, entitlements and shared revenues. A summary of the principal items of intergovernmental receivables follows:

Noble County
Notes to the Basic Financial Statements
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<u>Governmental Activities</u>	<u>Amount</u>
Property Tax Allocations	\$121,329
Local Government Subsidies	126,138
Developmental Disabilities Grants and Subsidies	14,636
Indigent Defense	5,650
Crime Prevention Grant	12,023
MVL Distribution	417,390
Gasoline Excise Tax	1,117,359
Estate Tax Fees	2,507
Community Development Block Grants	873,000
Sheriff Subsidy	1,786
Emergency Management	31,052
Subsidy Grants and Allocations	14,455
Hazard Mitigation	15,300
State Victims Assistance	18,891
Cost Allocation	8,401
Children Services Enforcement Grants and Subsidies	15,292
Child Support Enforcement Grants and Subsidies	64,530
Miscellaneous Intergovernmental Receivables	18,256
Total Governmental Activities	<u><u>2,877,995</u></u>
<u>Business - Type Activities</u>	
Sewer Grants	96,838
Total Intergovernmental Receivables	<u><u>\$2,974,833</u></u>

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. Loans Receivable, although ultimately collectible, will not be collected within one year. The County is reflecting a \$24,404 loan receivable in the USDA Rural Business Enterprise Special Revenue Fund with \$12,078 to be received during 2012. This is the result of the issuance of several revolving loans that have been issued by the County in previous years.

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, 2011.

Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 11 - Capital Assets

Capital asset activity for the year ended December 31, 2011, was as follows:

	<u>Balance 12/31/2010</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2011</u>
Governmental Activities				
Non-Depreciable Capital Assets:				
Land	\$794,086	\$0	\$0	\$794,086
Construction in Progress	11,297	280,446	0	291,743
Gravel Roads/Bases	<u>12,530,356</u>	<u>0</u>	<u>0</u>	<u>12,530,356</u>
Total Non-Depreciable Capital Assets	<u>13,335,739</u>	<u>280,446</u>	<u>0</u>	<u>13,616,185</u>
Depreciable Capital Assets:				
Buildings and Improvements	4,143,107	0	0	4,143,107
Machinery, Equipment, Furniture and Fixtures	2,519,716	0	0	2,519,716
Vehicles	1,063,312	162,333	(74,613)	1,151,032
Infrastructure	<u>11,054,415</u>	<u>270,520</u>	<u>(151,356)</u>	<u>11,173,579</u>
Total Depreciable Capital Assets	<u>18,780,550</u>	<u>432,853</u>	<u>(225,969)</u>	<u>18,987,434</u>
Accumulated Depreciation:				
Buildings and Improvements	(1,468,603)	(79,307)	0	(1,547,910)
Machinery, Equipment, Furniture and Fixtures	(1,547,699)	(116,151)	0	(1,663,850)
Vehicles	(939,598)	(40,381)	51,137	(928,842)
Infrastructure	<u>(4,660,847)</u>	<u>(391,552)</u>	<u>107,289</u>	<u>(4,945,110)</u>
Total Accumulated Depreciation	<u>(8,616,747)</u>	<u>(627,391)*</u>	<u>158,426</u>	<u>(9,085,712)</u>
Total Depreciable Capital Assets, Net	<u>10,163,803</u>	<u>(194,538)</u>	<u>(67,543)</u>	<u>9,901,722</u>
Governmental Capital Assets, Net	<u>\$23,499,542</u>	<u>\$85,908</u>	<u>(\$67,543)</u>	<u>\$23,517,907</u>

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

Governmental Activities

General Government:	
Legislative and Executive	\$10,574
Judicial	7,331
Public Safety	89,331
Public Works	495,228
Health	10,743
Human Services	<u>14,184</u>
Total Depreciation Expense	<u>\$627,391</u>

Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

	Balance 12/31/2010	Additions	Reductions	Balance 12/31/2011
Business-Type Activity:				
Non-Depreciable Capital Assets:				
Land	\$0	\$12,500	\$0	\$12,500
Construction in Progress	4,942,729	669,121	(5,611,850)	0
Total Non-Depreciable Capital Assets	<u>4,942,729</u>	<u>681,621</u>	<u>(5,611,850)</u>	<u>12,500</u>
Depreciable Capital Assets:				
Infrastructure	0	5,343,103	0	5,343,103
Accumulated Depreciation:				
Infrastructure	0	(115,262)	0	(115,262)
Total Depreciable Capital Assets, Net	<u>0</u>	<u>5,227,841</u>	<u>0</u>	<u>5,227,841</u>
Business-Type Capital Assets, Net	<u>\$4,942,729</u>	<u>\$5,909,462</u>	<u>(\$5,611,850)</u>	<u>\$5,240,341</u>

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 2011 the County contracted with the Buckeye Joint-County Self-Insurance Council (a public entity risk pool - See Note 21) for liability, auto, and crime insurance. This organization is a cost-sharing pool. Coverage provided by the program is as follows:

Basic Contribution	Coverage Limits/Aggregate	Deductible
Blanket Buildings and Personal Property	\$15,988,376	\$1,000
Legal Liability Real Property	1,000,000	1,000
Business Income with Extra Expense	1,000,000	1,000
Boiler and Machinery	15,988,376	1,000/10,000
Inland Marine	1,435,650	1,000
Electronic Equipment Limit	500,000	1,000
Electronic Media and Extra Expense Limit	5,000	1,000
General Liability	2,000,000	0
Personal and Advertising Injury	2,000,000	0
Each Electronic Data Incident	50,000	0
General Aggregate	4,000,000	0
Medical Expense Limit – Per Person	10,000	0
Medical Expense Limit Annual Aggregate	50,000	0
Employers Liability - Ohio Stop Gap	2,000,000	0
Employees Benefits Liability	2,000,000/4,000,000	0
Public Official Liability	2,000,000/4,000,000	5,000
Law Enforcement Liability	2,000,000/4,000,000	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

Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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	100,000	0
Property Off Premises	10,000	0
Accounts Receivable	250,000	0
Builder Risk	500,000	0
Fine Arts	25,000	0
Fire Protection Devices	5,000	0
Ground Maintenance Equipment	\$50,000	0
Newly Acquired or Constructed Buildings	2,000,000	0
Newly Acquired Personal Property	1,000,000	0
Paved Surfaces	50,000	0
Underground Pipes, Flues or Drains	1,000,000	0
Unnamed Locations	250,000	0
Valuable Papers and Records	250,000	0
Utility Services	25,000	0
Property in Transit	100,000	0
Auto Liability	2,000,000	0
Auto Medical Payments	10,000	0
Comprehensive	50,000	0

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 2011, the County participated in the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool (See Note 21). 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 \$26,906 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.

Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 13 - Defined Benefit Pension Plans

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, but less than, 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.

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 visiting <https://www.opers.org/investments/cafr.shtml>, 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 and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law enforcement and public safety employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in state and local divisions and 12 percent for law enforcement and public safety members. For the year ended December 31, 2011, members in state and local classifications contributed 10 percent of covered payroll while public safety and law enforcement members contributed 11 percent and 11.6 percent, respectively. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the Traditional Pension Plan. For 2011, member and employer contribution rates were consistent across all three plans.

The County's 2011 contribution rate was 14 percent, except for those plan members in law enforcement or public safety, for whom the County's contribution was 18.1 percent of covered payroll. The portion of employer contributions used to fund pension benefits is net of post-employment health care benefits. The portion of employer contribution allocated to health care for members in the Traditional Plan was 4 percent for 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2011. Employer contributions rates are actuarially determined.

The County's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2011, 2010, and 2009 were \$451,766, \$333,033, and \$497,104 respectively. For 2011, 90 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2010 and 2009. Contributions to the Member-Directed Plan for 2011 were \$654 made by the County and \$467 made by the plan members.

Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 14 - Postemployment Benefits

Plan Description - Ohio Public Employees Retirement System (OPERS) administers three separate pension plans. The Traditional Pension Plan - a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan - a defined contribution plan; and the Combined Plan - a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple-employer defined benefit post-employment health care plan for qualifying members of both the Traditional Pension and the Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage. The plan includes a medical plan, prescription drug program and Medicare Part B premium reimbursement.

In order to qualify for post-employment health care coverage, age and service retirees under the Traditional Pension 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 mandate, 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 the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy - The post-employment health care plan was established under, and is administered in accordance with, Internal Revenue Code 401 (h). The Ohio Revised Code provides the statutory authority requiring public employers to fund post-employment health care through contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post-employment health care.

Employer contribution rates are expressed as a percentage of the covered payroll of active members. In 2011, state and local government employers contributed at a rate of 14 percent of covered payroll, and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

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. The portion of employer contributions allocated to health care for members in the Traditional Plan was 4 percent for 2011. The portion of employer contributions allocated to health care for members in the Combined Plan was 6.05 percent for 2011.

The OPERS Retirement Board is also authorized to establish rules for the payment of a portion of the health care benefits provided, 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, 2011, 2010, and 2009 were \$175,801, \$215,492 and \$337,909 respectively; 90 percent has been contributed for 2011 and 100 percent for 2010 and 2009.

Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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 on January 1 of each year from 2006 to 2008. Rates for law enforcement and public safety employers increased over a six year period beginning on January 1, 2006, with a final rate increase on January 1, 2011. These rate increases 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, 2011 the liability for compensated absences was \$542,683 for the entire County.

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 \$2,476 at December 31, 2011. There were principal payments towards the copier of \$3,087. The lease is being repaid by the Emergency Management Agency Special Revenue Fund.

Future minimum lease payment through 2012 for governmental activities is as follows:

Year	Principal	Interest
2012	\$2,653	\$41

Note 17 - Contractual Commitments

As of December 31, 2011, the County had contractual purchase commitments for the following projects:

Project	Fund	Purchase Commitments	Amounts Paid as of 12/31/2011	Amounts Remaining on Contracts
2011 New Construction	Real Estate Assesment	\$19,310	\$0	\$19,310

Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 18 - Long -Term Obligations

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

	Outstanding 12/31//2010	Additions	Deletions	Outstanding 12/31//2011	Amounts Due Within One Year
Governmental Activities:					
General Obligation Bonds	\$500,000	\$0	\$100,000	\$400,000	\$100,000
Home Sewage Treatment System OWDA Loan - 0%	0	75,000	75,000	0	0
Capital Leases	5,740	0	3,087	2,653	2,653
Compensated Absences	493,044	257,438	207,799	542,683	164,789
Total Governmental Activities	998,784	332,438	385,886	945,336	267,442
Business-Type Activities:					
Sewer Project Phase II OWDA Loan - 2009 - 0%	244,332	902,585	908,692	238,225	0
Total Long-Term Obligations	1,243,116	1,235,023	1,294,578	1,183,561	267,442

Governmental Activities

The County's general obligation bonds were issued February 14, 1996 in the original issue amount of \$2,000,000 at an 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, 2011 are as follows:

Year Ending December 31,	Principal	Interest	Total
2012	\$100,000	\$24,180	\$124,180
2013	100,000	18,530	118,530
2014	100,000	12,830	112,830
2015	100,000	7,080	107,080
Total	\$400,000	\$62,620	\$462,620

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, Child Support Enforcement Agency, Developmental Disabilities, Motor Vehicle and Gasoline Tax, Subsidy Grant, Noble County Emergency Management Agency, State Victims Advocate, and Dog and Kennel Special Revenue Funds.

Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Business-Type Activities

During 2009 the County was approved for an OWDA Loan to be used for the construction of sanitary sewer projects throughout the County. The cumulative amount of loan proceeds received through December 31, 2011 were \$4,828,606. The majority of this amount was retired from the proceeds of monies received from the American Reinvestment and Recovery Act federal grant. A portion of the original \$244,332 remains outstanding as of December 31, 2011 in the amount of \$238,225.

The County's overall legal debt margin at December 31, 2011 was \$5,458,107

Note 19 - Interfund Transactions

Interfund balances at December 31, 2011 consist of the following individual fund receivables and payables:

	Interfund Receivable		Totals
	Major Funds		
Interfund Payable	General	Job and Family Services	
Major Funds:			
General	\$399	\$0	\$399
Job and Family Services	94,882	0	94,882
Sewer	1,000	0	1,000
Other Nonmajor Governmental	42,030	108,629	150,659
Total All Funds	<u>\$138,311</u>	<u>\$108,629</u>	<u>\$246,940</u>

Included in the above balances are short-term advances made from the General Fund to the Dog and Kennel, Litter Control, and Crime Prevention Special Revenue Funds in the amounts of \$5,000, \$5,000, and \$16,200, respectively.

Interfund transfers for the year ended December 31, 2011 consisted of the following, as reported on the fund statements:

	Major Funds			Other Nonmajor Governmental Funds	Totals
	Job and Family Services	Motor Vehicle and Gasoline Tax	Community Development Block Grant		
Major Fund:					
General Fund	\$22,263	\$0	\$71	\$73,446	\$95,780
Other Nonmajor Governmental	0	123,022	0	0	123,022
Total All Funds	<u>\$22,263</u>	<u>\$123,022</u>	<u>\$71</u>	<u>\$73,446</u>	<u>\$218,802</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 General Fund to finance various programs accounted for in other funds in accordance with budgetary authorization.

Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 20 - Fund Balances

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

		Job and Family Services	Motor Vehicle and Gasoline Tax	Community Development Block Grant	Developmental Disabilities	Other Governmental Funds	Total
Fund Balances	General						
Nonspendable:							
Inventory	\$31,157	\$2,500	\$215,237	\$1,417	\$900	\$1,600	\$252,811
Prepays	24,331	10,821	3,025	56	4,832	44,517	87,582
Long-Term							
Receivables	0	0	0	0	0	24,404	24,404
Unclaimed							
Monies	99,548	0	0	0	0	0	99,548
Total Nonspendable	155,036	13,321	218,262	1,473	5,732	70,521	464,345
Restricted to:							
Court Corrections	0	0	0	0	0	366,432	366,432
Roads and Bridges	0	0	1,423,228	0	0	0	1,423,228
Human Services	0	68,061	0	0	0	915,121	983,182
Public Safety	0	0	0	0	0	284,481	284,481
Developmental							
Disabilities	0	0	0	0	888,603	0	888,603
Health	0	0	0	0	0	6,742	6,742
Mental Health	0	0	0	0	0	4,719	4,719
Debt Service	0	0	0	0	0	180,570	180,570
Other Purposes	0	0	0	0	0	853,684	853,684
Total Restricted	0	68,061	1,423,228	0	888,603	2,611,749	4,991,641
Assigned to:							
Unpaid Obligations Subsequent Years'	24,795	0	0	0	0	0	24,795
Appropriations	626,217	0	0	0	0	0	626,217
Total Assignend	651,012	0	0	0	0	0	651,012
Unassigned (Deficit)	326,424	0	0	(22,164)	0	(68,133)	236,127
Total Fund Balances	\$1,132,472	\$81,382	\$1,641,490	(\$20,691)	\$894,335	\$2,614,137	\$6,343,125

Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 21 - 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 2011, Noble County paid \$83,832 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 2011 was \$16,174.

Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

Note 22 - 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 2011, Noble County contributed \$123,336 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

Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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 2011, \$86,818 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 2011 was \$1,465. The local contribution is based on the County's formal resolution of cooperation with the district and the 2010 census.

E. Oakview Juvenile Residential Center

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

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"

Noble County
Notes to the Basic Financial Statements
For the Year Ended December 31, 2011

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 developmentally disabled residents of the participating counties. The Council is made up of the superintendents of each county's Board of Mental 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 2011, the County contributed \$5,441 to MEORC.

Note 23 - 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.

Note 24 - 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.

**FINANCIAL CONDITION
NOBLE COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011**

FEDERAL GRANTOR <i>Pass-Through Grantor</i> Program Title	Pass-through Entity Number	Federal CFDA Number	Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Job and Family Services:</i>			
Supplemental Nutrition Assistance Program:			
State Administrative Matching Grants	G-1011-11-5092/G-1213-11-0092	10.561	<u>\$86,076</u>
Total U.S. Department of Agriculture			86,076
U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
<i>Passed Through Ohio Department of Development:</i>			
Community Development Block Grants/Entitlement Grants	B-Z-08-038-1	14.218	24,925
Community Development Block Grants - State's Program Cluster:			
Community Development Block Grants - State's Program	B-C-09-1CD-1	14.228	62,632
	B-C-11-1CD-1		2,314
	B-F-10-1CD-1		66,907
ARRA - Community Development Block Grants - State's Program	B-R-09-1CD-1	14.255	<u>86,909</u>
Total Community Development Block Grants - State's Program Cluster			218,762
HOME Investment Partnerships Program	B-C-09-1CD-2	14.239	70,989
Economic Development Initiative-Special Project, Neighborhood Initiative and Miscellaneous Grants	B-10-SP-OH-0275	14.251	<u>280,446</u>
Total U.S. Department of Housing and Urban Development			595,122
U.S. DEPARTMENT OF JUSTICE			
<i>Passed Through Ohio Office of Criminal Justice Services:</i>			
Edward Byrne Memorial Justice Assistance Grant Program	2010-JG-A02-6815	16.738	<u>50,000</u>
Total U.S. Department of Justice			50,000
U.S. DEPARTMENT OF LABOR			
<i>Passed Through Workforce Investment Act Area 15:</i>			
Workforce Investment Act (WIA) Cluster:			
WIA Adult Programs	N/A	17.258	25,539
ARRA - WIA Adult Programs	N/A		<u>19,482</u>
Total WIA Adult Programs			45,021
WIA Youth Activities	N/A	17.259	30,302
WIA Youth Activities - Work Experience	N/A		3,215
ARRA - WIA Youth Activities	N/A		<u>46,784</u>
Total WIA Youth Activities			80,301
WIA National Emergency Grants	N/A	17.277	496
WIA Dislocated Worker Formula Grants	N/A	17.278	218,470
ARRA - WIA Dislocated Worker Formula Grants	N/A		<u>48,740</u>
Total WIA Dislocated Worker Formula Grants			267,210
Total Workforce Investment Act Cluster			<u>393,028</u>
Total U.S. Department of Labor			393,028
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Health</i>			
Early Intervention Services Cluster:			
Special Education - Grants for Infants and Families -Help Me Grow	06110021HG0209	84.181	16,371
ARRA - Special Education - Grants for Infants and Families - Help Me Grow	06110021HA0211	84.393	<u>12,911</u>
Total Early Intervention Services Cluster			<u>29,282</u>
Total U.S. Department of Education			29,282

**FINANCIAL CONDITION
NOBLE COUNTY**

**FEDERAL AWARDS EXPENDITURES SCHEDULE
FOR THE YEAR ENDED DECEMBER 31, 2011
(Continued)**

FEDERAL GRANTOR <i>Pass-Through Grantor</i> Program Title	Pass-through Entity Number	Federal CFDA Number	Expenditures
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<i>Passed Through Ohio Department of Developmental Disabilities:</i>			
ARRA - Medical Assistance Program	EFMAP	93.778	\$123
<i>Passed Through Ohio Department of Jobs and Family Services:</i>			
Promoting Safe and Stable Families	G-1011-11-5092/G-1213-11-0092	93.556	24,131
Temporary Assistance for Needy Families	G-1011-11-5092/G-1213-11-0092	93.558	379,488
Child Support Enforcement	G-1011-11-5092/G-1213-11-0092	93.563	102,112
Child Care and Development Fund Cluster:			
Child Care and Development Block Grant	G-1011-11-5092/G-1213-11-0092	93.575	1,831
Child Care Mandatory and Matching Funds of the Child Care and Development Fund	G-1011-11-5092/G-1213-11-0092	93.596	24,511
Total Child Care and Development Fund Cluster			<u>26,342</u>
Community-Based Child Abuse Prevention Grants	G-1011-11-5092/G-1213-11-0092	93.590	1,857
Stephanie Tubbs Jones Child Welfare Services Program	G-1011-11-5092/G-1213-11-0092	93.645	2,045
Foster Care - Title IV-E	G-1011-11-5092/G-1213-11-0092	93.658	87,491
ARRA - Foster Care - Title IV-E	G-1011-11-5092/G-1213-11-0092	93.658	864
Total Foster Care - Title IV-E			<u>88,355</u>
Adoption Assistance	G-1011-11-5092/G-1213-11-0092	93.659	28,644
Social Services Block Grant	G-1011-11-5092/G-1213-11-0092	93.667	102,233
Medical Assistance Program	G-1011-11-5092/G-1213-11-0092	93.778	163,379
<i>Passed Through Ohio Secretary of State:</i>			
Voting Access for Individual's with Disabilities - Grants to States	06-SOS-HHHS-61	93.617	<u>1,130</u>
Total U.S. Department of Health and Human Services			919,839
U.S. DEPARTMENT OF HOMELAND SECURITY			
<i>Passed Through Ohio Emergency Management Agency:</i>			
Disaster Grants - Public Assistance	FEMA 4002-DR-121-012-E7	97.036	105,447
Emergency Management Performance Grants	2010-EP-00-0003 EMW-2011-EP-00003-S01	97.042	11,227
Total Emergency Management Performance Grants			<u>31,052</u> 42,279
Homeland Security Grant Program	2008-GE-T8-0025 2009-SS-T9-0089	97.067	13,072
Total Homeland Security Grant Program			<u>13,072</u>
Total U.S. Department of Homeland Security			<u>160,798</u>
Total Federal Awards Expenditures			<u><u>\$2,234,145</u></u>

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

NOBLE COUNTY

**NOTES TO THE FEDERAL AWARDS EXPENDITURES SCHEDULE
DECEMBER 31, 2011**

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

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

NOTE B – MATCHING REQUIREMENTS

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

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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, business-type activities, each major fund, and the aggregate remaining fund information of Noble County, Ohio (the County), as of and for the year ended December 31, 2011, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 13, 2012, wherein we noted the County has adopted Governmental Accounting Standards Board Statement No. 54. 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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the County's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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.

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 that we must report under *Government Auditing Standards*.

We did note certain matters not requiring inclusion in this report that we reported to the County's management in a separate letter dated September 13, 2012.

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



Robert R. Hinkle, CPA
Chief Deputy Auditor

September 13, 2012



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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 could directly and materially affect each of the County's major federal programs for the year ended December 31, 2011. 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.

Our compliance audit followed auditing standards generally accepted in the United States of America; the standards applicable to financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require that we plan and perform the audit to reasonably assure whether noncompliance occurred with the 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 these 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 these requirements.

In our opinion, the County complied, in all material respects, with the requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2011.

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, to determine our auditing procedures for the purpose of opining on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of opining on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the County's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, when performing their assigned functions, to prevent, or to timely detect and correct, noncompliance with a federal program compliance requirement. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a federal program compliance requirement will not be prevented, or timely detected and corrected.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control over compliance that might be deficiencies, 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 noted a matter involving federal compliance or internal control over federal compliance not requiring inclusion in this report, that we reported to the County's management in a separate letter dated September 13, 2012.

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



Robert R. Hinkle, CPA
Chief Deputy Auditor

September 13, 2012

NOBLE COUNTY
 SCHEDULE OF FINDINGS
 OMB CIRCULAR A-133 § .505
 DECEMBER 31, 2011

1. SUMMARY OF AUDITOR'S RESULTS

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Unqualified
<i>(d)(1)(ii)</i>	Were there any material control weaknesses reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(ii)</i>	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
<i>(d)(1)(iii)</i>	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any material internal control weaknesses reported for major federal programs?	No
<i>(d)(1)(iv)</i>	Were there any significant deficiencies in internal control reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under § .510(a)?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Temporary Assistance for Needy Families, CFDA #93.558 Community Development Block Grant (CDBG) State Administered CDBG Cluster, CFDA 14.228 & 14.255 Workforce Investment Act (WIA) Cluster, CFDA #17.258, 17.259, 17.277 & 17.278 Economic Development Initiative-Special Project, Neighborhood Initiative and Misc. Grants, CFDA #14.251
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A/B Programs	Type A: > \$ 300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

NOBLE COUNTY

**SCHEDULE OF FINDINGS
OMB CIRCULAR A-133 § .505
DECEMBER 31, 2011
(Continued)**

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

None

3. FINDINGS FOR FEDERAL AWARDS

None

NOBLE COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
 OMB CIRCULAR A-133 § .315(b)
 DECEMBER 31, 2011

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2010-001	Noncompliance with Ohio Rev. Code Section 5705.42 related to on-behalf of grant proceeds and principal retirements not recorded in the County's accounting system. In addition, the County did not amend its estimated receipts, nor did they record the additional appropriations for this activity.	Yes	
2010-002	Noncompliance with Ohio Rev. Code Section 5705.41(D)(1) related to eighteen percent of the transactions tested not being properly encumbered.	No	Partially Corrected; reported in Management Letter

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NOBLE COUNTY 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 27, 2012