



OHIO AUDITOR OF STATE
KEITH FABER



**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY
JUNE 30, 2024**

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NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY
JUNE 30, 2024

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OHIO AUDITOR OF STATE KEITH FABER



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INDEPENDENT AUDITOR'S REPORT

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

To the Board of Education:

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Noble Local School District, Noble County, Ohio (School District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the Table of Contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Noble Local School District, Noble County, Ohio, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the School District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, no such opinion is expressed.
- evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the School District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Schedules of Net Pension and Other Post-Employment Benefit Liabilities and Pension and Other Post-Employment Benefit Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting 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 assurance.

Supplementary information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the School District's basic financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards is presented for purposes of additional analysis and is not a required part of the basic financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated March 20, 2025, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.



Keith Faber
Auditor of State
Columbus, Ohio

March 20, 2025

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Noble Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

The discussion and analysis of the Noble Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2024. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the basic financial statements and the notes to the basic financial statements to enhance their understanding of the School District's financial performance.

Financial Highlights

Key financial highlights for the fiscal year 2024 are as follows:

- Total net position of the School District increased \$8,815,126.
- Capital assets increased by more than \$3.6 million due to additions related to the ongoing master facilities plan construction outpacing current year amortization/depreciation.
- Property taxes receivable increased by more than \$6.9 million due to an increase in delinquencies related to approved and pending settlements of assessed valuation disputes related to public utility personal property.
- Investment earnings increased by more than \$1.2 million from the prior year due to improved market value conditions and increased interest rates.

Using this Annual Financial Report

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

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

Reporting the School District as a Whole

Statement of Net Position and Statement of Activities

While this document contains information about the large number of funds used by the School District to provide programs and activities for students, the view of the School District as a whole looks at all financial transactions and asks the question, "How did we do financially during fiscal year 2024?" The Statement of Net Position and the Statement of Activities answer this question. These statements include all non-fiduciary assets and liabilities using the accrual basis of accounting similar to the accounting used by most private-sector companies.

Noble Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

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

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

Reporting the School District's Most Significant Funds

Fund Financial Statements

A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The School District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The analysis of the School District's major funds begins on page 11. Fund financial reports provide detailed information about the School District's major funds. The School District uses many funds to account for a multiple of financial transactions. However, these fund financial statements focus on the School District's most significant funds. The School District's major governmental funds are the General Fund and the Permanent Improvement Capital Projects Fund.

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

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

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

Noble Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
 Unaudited

Reporting the School District's Fiduciary Responsibilities

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

The School District as a Whole

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's net position for fiscal year 2024 compared to fiscal year 2023.

Table 1 - Net Position

	2024	2023	Change
Assets			
Current and Other Assets	\$64,614,364	\$54,416,244	\$10,198,120
Capital Assets, Net	30,951,802	27,338,909	3,612,893
<i>Total Assets</i>	<u>95,566,166</u>	<u>81,755,153</u>	<u>13,811,013</u>
Deferred Outflows of Resources			
Pension	3,165,512	3,488,344	(322,832)
OPEB	596,701	439,544	157,157
<i>Total Deferred Outflows of Resources</i>	<u>3,762,213</u>	<u>3,927,888</u>	<u>(165,675)</u>
Liabilities			
Current and Other Liabilities	2,644,272	3,233,619	(589,347)
Long-term Liabilities:			
Due within One Year	58,124	51,293	6,831
Due in More Than One Year:			
Net Pension Liability	12,494,655	12,553,993	(59,338)
Net OPEB Liability	809,989	747,624	62,365
Other Amounts	1,249,169	1,096,503	152,666
<i>Total Liabilities</i>	<u>17,256,209</u>	<u>17,683,032</u>	<u>(426,823)</u>
Deferred Inflows of Resources			
Property Taxes	15,887,170	10,215,154	5,672,016
Pension	872,801	1,030,968	(158,167)
OPEB	1,503,090	1,759,904	(256,814)
<i>Total Deferred Inflows of Resources</i>	<u>18,263,061</u>	<u>13,006,026</u>	<u>5,257,035</u>
Net Position			
Net Investment in Capital Assets	30,789,842	26,546,981	4,242,861
Restricted	1,149,445	494,867	654,578
Unrestricted	31,869,822	27,952,135	3,917,687
<i>Total Net Position</i>	<u>\$63,809,109</u>	<u>\$54,993,983</u>	<u>\$8,815,126</u>

Noble Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

The net pension liability is the largest single liability reported by the School District at June 30, 2024. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” - that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Total assets of governmental activities increased significantly, primarily due to an increase in capital assets and property taxes receivable. Capital assets increased mainly due to additions to building and building improvements, and construction in progress related to the ongoing master facilities plan outpacing current year amortization/depreciation. Property taxes receivable increased due to an increase in delinquencies related to approved and pending settlements of assessed valuation disputes related to public utility personal property.

Total liabilities decreased, primarily due to a reduction in contracts payable for construction work performed during the fiscal year being paid before year end. The reduction was offset by increases in long-term liabilities due in more than one year for the inception of a new copier lease, and increases in compensated absences.

The School District's deferred inflows of resources increased, primarily due to the accounting for property taxes. The increase in deferred inflows of resources for property taxes was offset by decreases in the pension and OPEB amounts due to changes in the net difference between projected and actual earnings on pension plan investments.

Noble Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
 Unaudited

Table 2 shows the changes in net position for the fiscal year 2024 and comparisons to fiscal year 2023.

Table 2
 Changes in Net Position

	2024	2023	Change
Revenues			
Program Revenues			
Charges for Services and Sales	\$1,187,652	\$1,058,934	\$128,718
Operating Grants, Contributions, and Interest	1,381,921	1,601,134	(219,213)
Capital Grants, Contributions, and Interest	214,906	476,534	(261,628)
Total Program Revenues	<u>2,784,479</u>	<u>3,136,602</u>	<u>(352,123)</u>
General Revenues			
Property Taxes	18,193,863	17,594,491	599,372
Payments in Lieu of Taxes	0	154,454	(154,454)
Grants and Entitlements	6,932,288	6,784,648	147,640
Investment Earnings	1,471,434	256,911	1,214,523
Contributions and Donations	82,378	114,877	(32,499)
Miscellaneous	51,133	28,808	22,325
Total General Revenues	<u>26,731,096</u>	<u>24,934,189</u>	<u>1,796,907</u>
Total Revenues	<u>29,515,575</u>	<u>28,070,791</u>	<u>1,444,784</u>
Program Expenses			
Instruction			
Regular	7,432,468	7,514,346	(81,878)
Special	2,872,207	2,404,516	467,691
Vocational	1,355,022	1,319,760	35,262
Student Intervention	38,987	234	38,753
Support Services			
Pupils	1,165,728	1,118,613	47,115
Instructional Staff	527,237	621,607	(94,370)
Board of Education	174,607	156,084	18,523
Administration	1,477,721	2,116,597	(638,876)
Fiscal	872,326	879,947	(7,621)
Business	22,518	21,711	807
Operation and Maintenance of Plant	1,811,625	3,658,986	(1,847,361)
Pupil Transportation	1,473,017	1,477,539	(4,522)
Central	127,953	94,270	33,683
Operation of Non-Instructional Services			
Food Service Operations	640,971	693,733	(52,762)
Extracurricular Activities	705,314	552,834	152,480
Interest	2,748	404	2,344
Total Expenses	<u>20,700,449</u>	<u>22,631,181</u>	<u>(1,930,732)</u>
Change in Net Position	8,815,126	5,439,610	3,375,516
Net Position Beginning of Year	<u>54,993,983</u>	<u>49,554,373</u>	<u>5,439,610</u>
Net Position End of Year	<u>\$63,809,109</u>	<u>\$54,993,983</u>	<u>\$8,815,126</u>

Noble Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
 Unaudited

Total general revenues of governmental activities increased from 2023 driven by increases in property taxes, and investment earnings. Property tax revenue increased from the prior year as taxes related to gas and oil production increased, as well as revaluations that occurred during the appeal process over the past three fiscal years. Investment earnings increased related to improved market value conditions and increased interest rates.

In total, program revenues decreased from fiscal year 2023 to fiscal year 2024. Charges for services and sales program revenue increased from the prior year. This is primarily due to an increase in tuition and fees related to excess cost. The increase in charges for services and sales was offset by a decrease in operating grants and capital grants and contributions program revenue, primarily related a reduction in overall revenue and expenses related to Elementary and Secondary School Emergency Relief grants compared to prior year.

Overall program expenses decreased from the prior year, primarily related to decreases in support services offset by increases in instruction expenses. Support services decreased due to an increase in capitalization of expenditures related to construction projects in operation and maintenance of plant. This decrease was offset by increases in special instruction related to increases in teacher salaries and programs.

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

Table 3 - Cost of Services

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2024	2024	2023	2023
Program Expenses				
Instruction:				
Regular	\$7,432,468	\$6,620,623	\$7,514,346	\$6,792,374
Special	2,872,207	2,255,904	2,404,516	1,873,054
Vocational	1,355,022	1,347,209	1,319,760	1,000,237
Intervention	38,987	38,987	234	234
Support Services:				
Pupils	1,165,728	1,162,587	1,118,613	1,113,665
Instructional Staff	527,237	414,970	621,607	417,566
Board of Education	174,607	174,607	156,084	146,047
Administration	1,477,721	1,320,002	2,116,597	1,976,310
Fiscal	872,326	872,326	879,947	879,947
Business	22,518	22,518	21,711	21,711
Operation and Maintenance of Plant	1,811,625	1,534,161	3,658,986	3,182,881
Pupil Transportation	1,473,017	1,473,017	1,477,539	1,477,539
Central	127,953	72,019	94,270	82,967
Operation of Non-Instructional Services:				
Food Service Operations	640,971	88,312	693,733	136,764
Extracurricular Activities	705,314	515,980	552,834	392,879
Interest and Fiscal Charges	2,748	2,748	404	404
Total	<u>\$20,700,449</u>	<u>\$17,915,970</u>	<u>\$22,631,181</u>	<u>\$19,494,579</u>

Noble Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

The dependence upon tax revenues and state subsidies for governmental activities is apparent, as 87 percent of program expenses are supported through taxes, unrestricted grants and entitlements, and other general revenues.

The School District Funds

The School District's governmental funds are accounted for using the modified accrual basis of accounting. All governmental funds had total revenues, including other sources, of \$30,652,251 and expenditures, including other uses, of \$30,929,788. The School District continued to focus its efforts to monitor expenditures, with modest increases in supply and purchased services budgets, as well as maintaining current personnel staffing levels.

The General Fund's balance decreased by \$2,681,956 while making \$6,210,036 of transfers out to the Permanent Improvement Capital Projects Fund and other governmental funds. The decrease in property taxes is related to a decrease in amounts available as an advance, which represents amounts collected by the various counties prior to June 30, 2024, which are available as advances to fund fiscal year 2024, which was offset by increases in investment earnings. Total expenditures also increased related to increases in instruction expenditures as a result of additional staffing and programs offered compared to prior fiscal year.

The Permanent Improvement Capital Projects Fund had a \$1,533,048 increase in fund balance as the General Fund continues to transfer cash to fund current and future capital projects. Current year transfers in continue to outpace expenditures resulting in an accumulated fund balance of \$10,205,870 at June 30, 2024.

General Fund Budgeting Highlights

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

During the course of fiscal year 2024, the School District amended its General Fund budget. The School District uses a modified site-based budgeting technique which is designed to tightly control total site budgets but provide flexibility for site management. The School District continues to work to improve its General Fund budgeting process and the changes reflect the efforts to amend budgets as needs change. Overall, all final appropriation amounts increased compared to original. This was a result of School District further developing its budget estimates as the fiscal year progressed. The variance between original and final estimated revenue was due to increases in all estimated revenue amounts as the School District was able to more accurately estimate the revenues for the fiscal year. Actual revenues were in line with final budget while actual expenditures were less than final budgeted appropriations as the school district continues to monitor expenditures.

Noble Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

Capital Assets and Debt Administration

Capital Assets

At the end of fiscal year 2024, the School District had \$30,951,802 invested in capital assets. See Note 9 for more detailed information. Table 4 shows fiscal year 2024 balances compared to 2023.

Table 4
Capital Assets
(Net of Depreciation/Amortization)

	2024	2023
Land	\$898,963	\$664,213
Construction in Progress	4,231,286	1,347,367
Land Improvements	973,883	1,040,852
Buildings and Improvements	19,989,426	19,749,998
Furniture and Equipment	3,328,043	3,345,840
Intangible Right to Use - Equipment	55,533	0
Vehicles	1,474,668	1,190,639
Totals	<u>\$30,951,802</u>	<u>\$27,338,909</u>

Debt

During fiscal year 2024, the School District had the following changes in long-term debt obligations:

	2024	2023
Leases Payable	<u>\$56,713</u>	<u>\$1,069</u>

See Note 12 to the basic financial statements for more information on debt.

Current Issues

In fiscal year 2024, the School District approved a \$6 million transfer from the General Fund to the Permanent Improvement Capital Projects Fund to provide for a construction of a new interactive STEM learning laboratory at the elementary/middle school complex and improvements to classrooms, restrooms, media center, interior lighting, exterior doors, corridors, flooring, and rooftop units.

The School District's current five-year forecast projects deficit spending in fiscal year 2025 and each year thereafter causing a declining fund balance. The five-year forecast assumes implementation of the Fair School Funding Plan (FSFP) adopted by Ohio starting in fiscal year 2022, increased expenditures in payroll and benefits, increased expenditures for expansion of the preschool, career technology, and special education programs, decreased public utility personal property valuations due to normal depreciation and valuation appeals, and continued transfers to the Permanent Improvement Capital Projects Fund. In order to mitigate the current deficit spending trend, a Building and Grounds Committee has been established to ensure fiscal responsibility. This committee provides guidance on balancing project priorities with financial constraints. The School District will continue to evaluate whether annual transfers to the Permanent Improvement Capital Projects Fund can be sustained while maintaining progress on the master facilities plan.

Noble Local School District, Ohio
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2024
Unaudited

The Board of Education and administration of the School District continue to monitor revenues and expenditures. By aligning financial strategies with the guiding principles of fiscal responsibility, the School District aims to ensure long-term financial stability while advancing its initiatives.

Contacting the School District's Financial Management

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

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Noble Local School District, Ohio

Statement of Net Position

June 30, 2024

	Governmental Activities
Assets	
Equity in Pooled Cash and Cash Equivalents	\$34,973,917
Cash and Cash Equivalents with Fiscal Agent	3,213,791
Inventory Held for Resale	1,809
Materials and Supplies Inventory	23,083
Intergovernmental Receivable	525,035
Prepaid Items	114,573
Accounts Receivable	61,565
Property Taxes Receivable	24,810,543
Net OPEB Asset	890,048
Nondepreciable Capital Assets	5,130,249
Depreciable Capital Assets, Net	25,821,553
<i>Total Assets</i>	<u>95,566,166</u>
Deferred Outflows of Resources	
Pension	3,165,512
OPEB	596,701
<i>Total Deferred Outflows of Resources</i>	<u>3,762,213</u>
Liabilities	
Accounts Payable	104,240
Accrued Wages and Benefits Payable	1,471,121
Contracts Payable	2,995
Retainage Payable	102,252
Intergovernmental Payable	402,776
Vacation Benefits Payable	124,288
Claims Payable	436,600
Long-Term Liabilities:	
Due Within One Year	58,124
Due In More Than One Year:	
Net Pension Liability	12,494,655
Net OPEB Liability	809,989
Other Amounts	1,249,169
<i>Total Liabilities</i>	<u>17,256,209</u>
Deferred Inflows of Resources	
Property Taxes	15,887,170
Pension	872,801
OPEB	1,503,090
<i>Total Deferred Inflows of Resources</i>	<u>18,263,061</u>
Net Position	
Net Investment in Capital Assets	30,789,842
Restricted for:	
Unclaimed Monies	401
State Programs	9,525
Local Initiatives	57,233
Federal Programs	4,561
Student Activities	186,622
Scholarships	1,055
OPEB Plan	890,048
Unrestricted	31,869,822
<i>Total Net Position</i>	<u>\$63,809,109</u>

See accompanying notes to the basic financial statements

Noble Local School District, Ohio
Statement of Activities
For the Fiscal Year Ended June 30, 2024

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services and Sales	Operating Grants, Contributions and Interest	Capital Grants and Contributions	Governmental Activities
Governmental Activities	Expenses				
Instruction:					
Regular	\$7,432,468	\$810,399	\$1,251	\$195	(\$6,620,623)
Special	2,872,207	0	563,814	52,489	(2,255,904)
Vocational	1,355,022	0	7,813	0	(1,347,209)
Intervention	38,987	0	0	0	(38,987)
Support Services:					
Pupils	1,165,728	0	2,711	430	(1,162,587)
Instructional Staff	527,237	0	97,189	15,078	(414,970)
Board of Education	174,607	0	0	0	(174,607)
Administration	1,477,721	0	135,927	21,792	(1,320,002)
Fiscal	872,326	0	0	0	(872,326)
Business	22,518	0	0	0	(22,518)
Operation and Maintenance of Plant	1,811,625	989	154,656	121,819	(1,534,161)
Pupil Transportation	1,473,017	0	0	0	(1,473,017)
Central	127,953	33,475	19,356	3,103	(72,019)
Operation of Non-Instructional Services:					
Food Service Operations	640,971	176,715	375,944	0	(88,312)
Extracurricular Activities	705,314	166,074	23,260	0	(515,980)
Interest	2,748	0	0	0	(2,748)
Totals	\$20,700,449	\$1,187,652	\$1,381,921	\$214,906	(17,915,970)
General Revenues					
Property Taxes Levied for General Purposes					18,193,863
Grants and Entitlements not Restricted to Specific Programs					6,932,288
Investment Earnings					1,471,434
Gifts and Donations					82,378
Miscellaneous					51,133
Total General Revenues					26,731,096
Change in Net Position					8,815,126
Net Position Beginning of Year					54,993,983
Net Position End of Year					\$63,809,109

See accompanying notes to the basic financial statements

Noble Local School District, Ohio

Balance Sheet

Governmental Funds

June 30, 2024

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Assets				
Equity in Pooled Cash and Cash Equivalents	\$24,365,111	\$10,315,039	\$293,366	\$34,973,516
Receivables:				
Property Taxes	24,810,543	0	0	24,810,543
Accounts	61,565	0	0	61,565
Intergovernmental	89,996	0	435,039	525,035
Interfund	498,738	0	0	498,738
Prepaid Items	100,204	0	14,369	114,573
Inventory Held for Resale	0	0	1,809	1,809
Materials and Supplies Inventory	22,502	0	581	23,083
Restricted Assets:				
Equity in Pooled Cash and Cash Equivalents	401	0	0	401
<i>Total Assets</i>	<u>\$49,949,060</u>	<u>\$10,315,039</u>	<u>\$745,164</u>	<u>\$61,009,263</u>
Liabilities, Deferred Inflows of Resources, and Fund Balances				
Liabilities				
Accounts Payable	\$85,550	\$3,922	\$14,768	\$104,240
Contracts Payable	0	2,995	0	2,995
Accrued Wages and Benefits Payable	1,432,125	0	38,996	1,471,121
Retainage Payable	0	102,252	0	102,252
Interfund Payable	0	0	498,738	498,738
Intergovernmental Payable	396,519	0	6,257	402,776
<i>Total Liabilities</i>	<u>1,914,194</u>	<u>109,169</u>	<u>558,759</u>	<u>2,582,122</u>
Deferred Inflows of Resources				
Property Taxes	15,887,170	0	0	15,887,170
Unavailable Revenue	8,408,749	0	15,375	8,424,124
<i>Total Deferred Inflows of Resources</i>	<u>24,295,919</u>	<u>0</u>	<u>15,375</u>	<u>24,311,294</u>
Fund Balances				
Nonspendable	123,107	0	14,950	138,057
Restricted	0	0	244,910	244,910
Committed	278,264	2,803,904	0	3,082,168
Assigned	105,143	7,401,966	0	7,507,109
Unassigned (Deficit)	23,232,433	0	(88,830)	23,143,603
<i>Total Fund Balances</i>	<u>23,738,947</u>	<u>10,205,870</u>	<u>171,030</u>	<u>34,115,847</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$49,949,060</u>	<u>\$10,315,039</u>	<u>\$745,164</u>	<u>\$61,009,263</u>

See accompanying notes to the basic financial statements

Noble Local School District, Ohio
*Reconciliation of Total Governmental Fund Balances to
Net Position of Governmental Activities
June 30, 2024*

Total Governmental Fund Balances		\$34,115,847
<i>Amounts reported for governmental activities in the statement of net position are different because</i>		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds.		30,951,802
Other long-term assets are not available to pay for current-period expenditures and therefore are reported as deferred inflows of resources in the funds:		
Delinquent Property Taxes	8,322,190	
Intergovernmental Revenues	43,014	
Tuition and Fees	<u>58,920</u>	8,424,124
An internal service fund is used by management to charge the costs of insurance to individual funds. The assets and liabilities of the internal fund are included in governmental activities in the statement of net position.		2,777,191
The net OPEB asset and net pension/OPEB liability are not due and payable in the current period; therefore, the asset, liability, and related deferred inflows/outflows are not reported in the governmental funds:		
Net OPEB Asset	890,048	
Deferred Outflows - Pension	3,165,512	
Deferred Outflows - OPEB	596,701	
Net Pension Liability	(12,494,655)	
Net OPEB Liability	(809,989)	
Deferred Inflows - Pension	(872,801)	
Deferred Inflows - OPEB	<u>(1,503,090)</u>	(11,028,274)
Vacation Benefits Payable is recognized for earned vacation benefits that are to be used within one year but is not recognized on the balance sheet until due.		(124,288)
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:		
Lease Payable	(56,713)	
Sick Leave Benefits Payable	<u>(1,250,580)</u>	<u>(1,307,293)</u>
Net Position of Governmental Activities		<u><u>\$63,809,109</u></u>

See accompanying notes to the basic financial statements

Noble Local School District, Ohio
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2024

	General	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Revenues				
Property Taxes	\$12,317,651	\$0	\$0	\$12,317,651
Intergovernmental	7,050,912	0	2,222,436	9,273,348
Investment Earnings	1,426,357	0	125	1,426,482
Charges for Services	33,475	0	176,715	210,190
Tuition and Fees	814,446	0	0	814,446
Extracurricular Activities	26,379	0	139,695	166,074
Rent	989	0	0	989
Gifts and Donations	50,016	0	55,575	105,591
Miscellaneous	43,642	0	9,587	53,229
<i>Total Revenues</i>	<i>21,763,867</i>	<i>0</i>	<i>2,604,133</i>	<i>24,368,000</i>
Expenditures				
Current:				
Instruction:				
Regular	6,939,694	89,807	20,761	7,050,262
Special	2,334,589	0	450,098	2,784,687
Vocational	1,171,444	107,146	7,597	1,286,187
Student Intervention	44,047	0	0	44,047
Support Services:				
Pupils	1,100,386	0	3,577	1,103,963
Instructional Staff	420,928	3,353	129,213	553,494
Board of Education	151,362	0	26,000	177,362
Administration	1,211,132	4,043	163,446	1,378,621
Fiscal	918,855	0	0	918,855
Business	22,518	0	0	22,518
Operation and Maintenance of Plant	1,855,800	3,415,426	242,608	5,513,834
Pupil Transportation	1,678,624	234,744	0	1,913,368
Central	108,025	0	21,630	129,655
Operation of Non-Instructional Services:				
Food Service Operations	0	0	621,087	621,087
Other Non-Instructional Services	1,099	10,741	0	11,840
Extracurricular Activities	336,395	48,216	256,781	641,392
Capital Outlay	0	553,476	0	553,476
Debt Service:				
Principal Retirement	12,356	0	0	12,356
Interest	2,748	0	0	2,748
<i>Total Expenditures</i>	<i>18,310,002</i>	<i>4,466,952</i>	<i>1,942,798</i>	<i>24,719,752</i>
<i>Excess of Revenues Over (Under) Expenditures</i>	<i>3,453,865</i>	<i>(4,466,952)</i>	<i>661,335</i>	<i>(351,752)</i>
Other Financing Sources (Use)				
Inception of Lease	68,000	0	0	68,000
Proceeds from Sale of Capital Assets	6,215	0	0	6,215
Transfers In	0	6,000,000	210,036	6,210,036
Transfers Out	(6,210,036)	0	0	(6,210,036)
<i>Total Other Financing Sources (Use)</i>	<i>(6,135,821)</i>	<i>6,000,000</i>	<i>210,036</i>	<i>74,215</i>
<i>Net Change in Fund Balance</i>	<i>(2,681,956)</i>	<i>1,533,048</i>	<i>871,371</i>	<i>(277,537)</i>
<i>Fund Balances (Deficit) Beginning of Year</i>	<i>26,420,903</i>	<i>8,672,822</i>	<i>(700,341)</i>	<i>34,393,384</i>
<i>Fund Balances End of Year</i>	<i>\$23,738,947</i>	<i>\$10,205,870</i>	<i>\$171,030</i>	<i>\$34,115,847</i>

See accompanying notes to the basic financial statements

Noble Local School District, Ohio
*Reconciliation of the Statement of Revenues, Expenditures and Changes
in Fund Balances of Governmental Funds to the Statement of Activities
For the Fiscal Year Ended June 30, 2024*

Net Change in Fund Balances - Total Governmental Funds	(\$277,537)
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Amounts reported for governmental activities in the statement of activities are different because:

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

Capital Asset Additions	5,134,790	
Depreciation / Amortization Expense	<u>(1,470,423)</u>	3,664,367

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

Gain (Loss) on Disposal of Capital Assets	(45,259)	
Proceeds From Sale of Capital Assets	<u>(6,215)</u>	(51,474)

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

Delinquent Property Taxes	5,876,212	
Intergovernmental	(767,530)	
Tuition and Fees	(4,047)	
Miscellaneous	<u>(2,096)</u>	5,102,539

Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities on the statement of net position:

Leases		12,356
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Issuance of debt is reported as other financing sources in governmental funds, but the issuance increases long-term liabilities on the statement of net position:

Inception of Lease		(68,000)
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Contractually required contributions are reported as expenditures in the governmental funds; however, the statement of net position reports these amounts as deferred outflows:

Pension	1,267,089	
OPEB	<u>39,672</u>	1,306,761

Except for amounts reported as deferred inflows/outflows, changes in the net pension liability are reported as pension expense in the statement of activities.

Pension	(1,372,416)	
OPEB	<u>68,172</u>	(1,304,244)

Some expenses reported on the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:

Vacation Benefits Payable	(25,677)	
Sick Leave Benefits Payable	<u>(103,853)</u>	(129,530)

The internal service fund used by management to charge the costs of insurance to individual funds is not reported in the district-wide statement of activities. The net change in net position of the internal service fund is reported with governmental activities.

	<u>559,888</u>
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Change in Net Position of Governmental Activities	<u><u>\$8,815,126</u></u>
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See accompanying notes to the basic financial statements

Noble Local School District, Ohio
Statement of Revenues, Expenditures and Changes
in Fund Balance - Budget and Actual (Budget Basis)
General Fund
For the Fiscal Year Ended June 30, 2024

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
Revenues				
Property Taxes	\$14,639,301	\$16,896,077	\$16,896,077	\$0
Intergovernmental	6,055,107	6,993,697	6,988,555	(5,142)
Investment Earnings	1,162,422	1,342,000	1,341,619	(381)
Charges for Services	29,004	33,500	33,475	(25)
Tuition and Fees	705,662	817,417	814,446	(2,971)
Extracurricular Activities	22,285	25,800	25,721	(79)
Rent	857	1,000	989	(11)
Gifts and Donations	36,521	42,151	42,151	0
Miscellaneous	35,019	41,803	40,417	(1,386)
<i>Total Revenues</i>	<u>22,686,178</u>	<u>26,193,445</u>	<u>26,183,450</u>	<u>(9,995)</u>
Expenditures				
Current:				
Instruction:				
Regular	6,477,427	6,884,640	6,756,126	128,514
Special	2,221,814	2,328,608	2,320,704	7,904
Vocational	1,111,290	1,233,824	1,188,141	45,683
Student Intervention	20,439	21,912	21,330	582
Support Services:				
Pupils	1,037,183	1,120,416	1,086,131	34,285
Instructional Staff	421,161	436,696	435,681	1,015
Board of Education	187,959	193,072	192,194	878
Administration	1,159,612	1,220,055	1,211,659	8,396
Fiscal	878,348	919,524	916,730	2,794
Business	21,577	22,575	22,518	57
Operation and Maintenance of Plant	1,819,853	1,892,137	1,873,458	18,679
Pupil Transportation	1,847,044	1,690,049	1,674,099	15,950
Central	97,003	104,245	101,232	3,013
Operation of Non-Instructional Services	1,054	2,108	1,100	1,008
Extracurricular Activities	333,637	351,188	348,183	3,005
<i>Total Expenditures</i>	<u>17,635,401</u>	<u>18,421,049</u>	<u>18,149,286</u>	<u>271,763</u>
<i>Excess of Revenues Over Expenditures</i>	<u>5,050,777</u>	<u>7,772,396</u>	<u>8,034,164</u>	<u>261,768</u>
Other Financing Source (Use)				
Proceeds from Sale of Capital Assets	0	6,575	6,215	(360)
Transfers Out	(6,411,000)	(6,411,000)	(6,410,036)	964
<i>Total Other Financing Source (Use)</i>	<u>(6,411,000)</u>	<u>(6,404,425)</u>	<u>(6,403,821)</u>	<u>604</u>
<i>Net Change in Fund Balance</i>	<u>(1,360,223)</u>	<u>1,367,971</u>	<u>1,630,343</u>	<u>262,372</u>
<i>Fund Balance Beginning of Year</i>	<u>22,321,185</u>	<u>22,321,185</u>	<u>22,321,185</u>	<u>0</u>
<i>Prior Year Encumbrances Appropriated</i>	<u>410,251</u>	<u>410,251</u>	<u>410,251</u>	<u>0</u>
<i>Fund Balance End of Year</i>	<u>\$21,371,213</u>	<u>\$24,099,407</u>	<u>\$24,361,779</u>	<u>\$262,372</u>

See accompanying notes to the basic financial statements

Noble Local School District, Ohio
Statement of Fund Net Position
Internal Service Fund
June 30, 2024

	Medical, Dental, and Vision Self-Insurance
Current Assets	
Cash and Cash Equivalents with Fiscal Agent	\$3,213,791
Current Liabilities	
Claims Payable	436,600
Net Position	
Unrestricted	\$2,777,191

See accompanying notes to the basic financial statements

Noble Local School District, Ohio
*Statement of Revenues,
Expenses and Changes in Fund Net Position
Internal Service Fund
For the Fiscal Year Ended June 30, 2024*

	Medical, Dental, and Vision Self-Insurance
Operating Revenues	
Charges for Services	<u>\$3,507,540</u>
Operating Expenses	
Purchased Services	743,386
Claims	<u>2,249,302</u>
<i>Total Operating Expenses</i>	<u>2,992,688</u>
<i>Operating Gain</i>	514,852
Non-Operating Revenues:	
Interest	<u>45,036</u>
<i>Change in Net Position</i>	559,888
<i>Net Position Beginning of Year</i>	<u>2,217,303</u>
<i>Net Position End of Year</i>	<u><u>\$2,777,191</u></u>

See accompanying notes to the basic financial statements

Noble Local School District, Ohio
Statement of Cash Flows
Internal Service Fund
For the Fiscal Year Ended June 30, 2024

	Medical, Dental, and Vision Self-Insurance
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities:	
Cash Received from Transactions with Other Funds	\$3,507,540
Cash Payments to Suppliers for Services	(743,386)
Cash Payments for Claims	(2,245,202)
	<u>518,952</u>
<i>Net Cash Provided by Operating Activities</i>	518,952
Cash Flows from Investing Activities:	
Interest	45,036
	<u>45,036</u>
Net Increase in Cash and Cash Equivalents	563,988
<i>Cash and Cash Equivalents Beginning of Year</i>	<u>2,649,803</u>
<i>Cash and Cash Equivalents End of Year</i>	<u><u>\$3,213,791</u></u>
Reconciliation of Operating Gain to Net Cash Provided by Operating Activities	
Operating Gain	\$514,852
Changes in Liabilities	
Increase in Claims Payable	4,100
	<u>4,100</u>
<i>Net Cash Provided by Operating Activities</i>	<u><u>\$518,952</u></u>
See accompanying notes to the basic financial statements	

Noble Local School District, Ohio

Statement of Net Position

Fiduciary Fund

June 30, 2024

	Private Purpose Trust
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$35,842</u>
Net Position	
Endowments	33,500
Held in Trust for Scholarships	<u>2,342</u>
<i>Total Net Position</i>	<u><u>\$35,842</u></u>

See accompanying notes to the basic financial statements

Noble Local School District, Ohio
Statement of Changes in Net Position
Fiduciary Fund
For the Fiscal Year Ended June 30, 2024

	Private Purpose Trust
Additions	
Interest	\$1,212
Deductions	<u>0</u>
Change in Net Position	1,212
<i>Net Position Beginning of Year</i>	<u>34,630</u>
<i>Net Position End of Year</i>	<u><u>\$35,842</u></u>

See accompanying notes to the basic financial statements

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 1 - Description of the School District and Reporting Entity

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

The School District operates under a locally elected five-member Board form of government and provides educational services as mandated by State and federal agencies. This Board of Education controls the School District's two instructional/support facilities staffed by 50 classified employees and 84 certified full time teaching personnel who provide services to 1,092 students, including preschool, and other community members.

Reporting Entity

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

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

The School District participates in the Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (OME-RESA), the Mid-East Career and Technology Centers, the Coalition of Rural and Appalachian Schools, and the Ohio Coalition for Equity and Adequacy of School Funding, which are defined as jointly governed organizations; the Ohio School Boards Association Workers' Compensation Group Rating Plan, which is defined as an insurance purchasing pool; the South Central Ohio Insurance Consortium (SCOIC), and the Schools of Ohio Risk Sharing Authority (SORSA), which are defined as risk sharing, claims servicing, and insurance purchasing pools. These organizations are presented in Notes 17, 18, and 19 to the basic financial statements.

Note 2 - Summary of Significant Accounting Policies

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

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Basis of Presentation

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

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

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

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

Fund Accounting

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

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

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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

Permanent Improvement Fund This fund accounts for the acquisition, construction, or improvement of capital facilities other than those financed by the proprietary fund.

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

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

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

Fiduciary Funds Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and custodial funds. Trust funds are distinguished from custodial funds by the existence of a trust agreement or equivalent arrangement that has certain characteristics. The School District's private purpose trust fund accounts for programs that provide college scholarships to students. Custodial funds are used to report fiduciary activities that are not required to be reported in a trust fund. The School District had no custodial activity during the fiscal year.

Measurement Focus

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

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

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

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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

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

Basis of Accounting

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

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

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

Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year-end: property taxes available as an advance, investment earnings, tuition, grants, fees, and rentals.

Unearned revenue represents amounts under the accrual and modified accrual basis of accounting for which asset recognition criteria have been met, but for which revenue recognition criteria have not yet been met because such amounts have not yet been earned.

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

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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.

Deferred Outflows/Inflows of Resources In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for pension and OPEB plans. The deferred outflows of resources related to pension and OPEB plans are explained in Notes 10 and 11.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period and will not be recognized until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2024, but which were levied to finance fiscal year 2025 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental fund's balance sheet and represents receivables that will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, intergovernmental, and tuition and fees. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities found on page 17. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 10 and 11)

Budgetary Process

All funds, other than custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution, and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and sets annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level for all funds of the School District. Any budgetary modifications at this level may only be made by resolution of the Board of Education. The treasurer has been authorized to further allocate appropriations to the function and object level within each fund. Advances in/out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

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

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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

Cash and Cash Equivalents

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

During fiscal year 2024, the School District's investments were limited to federal agency securities, money market mutual funds, and negotiable certificates of deposit, which are stated at fair value.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Investment Earnings/Interest revenue credited to the General Fund during fiscal year 2024 amounted to \$1,426,357, which includes \$527,983 assigned from other School District funds.

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

Inventory

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

Prepaid Items

Payments made to vendors for services that will benefit periods beyond June 30, 2024, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the fiscal year in which services are consumed.

Capital Assets

All capital assets (except for intangible right-to-use lease assets which are discussed as follows) are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. The School District was able to estimate the historical cost for the initial reporting of certain assets by back trending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated fixed assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of five thousand dollars.

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

The School District does not possess any infrastructure. Improvements are capitalized. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized.

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

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

The School District is reporting intangible right to use assets related to lease equipment. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, these intangible assets are being amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Leases

The School District serves as lessee in various noncancellable leases which are accounted for as follows:

Lessee At the commencement of a lease, the School District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Restricted Assets

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

Compensated Absences

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated vacation leave after an employee's anniversary hire date.

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

The liability for vacation benefits is recorded as “vacation benefits payable”, rather than long-term liabilities, as the balances are to be used by employees in the fiscal year following the fiscal year in which the benefit was earned.

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

Accrued Liabilities and Long-term Obligations

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

Internal Activity

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

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

Fund Balance

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

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

Restricted The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by State constitution or external resource providers. 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.

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Under Ohio law, amounts paid into any fund, including by transfer, shall have the same constraints placed on the use of funds as those externally imposed by creditors, grantors, contributors, or laws or regulations of other governments.

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

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

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

The School District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available.

Similarly, within unrestricted fund balance, committed amounts are reduced first, followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which the amounts in any of the unrestricted fund balance classifications could be used.

Net Position

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

The School District applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available. Restricted Net Position for the OPEB plan represents the corresponding restricted asset amounts held in trust by the OPEB plan for future benefits.

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Pensions/Other Postemployment Benefits (OPEB)

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

Operating Revenues and Expenses

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

Estimates

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

Note 3 - Change in Accounting Principles

For fiscal year 2024, the School District implemented Governmental Accounting Standards Board (GASB) Statement No. 100, *Accounting Changes and Error Corrections*, and related guidance from GASB Implementation Guide No. 2023-1, *Implementation Guidance Update — 2023*. The School District also implemented Question 5.1 from GASB Implementation Guide No. 2021-1, *Implementation Guidance Update — 2021*.

GASB 100 will improve the clarity of the accounting and financial reporting requirements for accounting changes and error corrections, which will result in greater consistency in application in practice. In turn, more understandable, reliable, relevant, consistent, and comparable information will be provided to financial statement users for making decisions or assessing accountability. In addition, the display and note disclosure requirements will result in more consistent, decision-useful, understandable, and comprehensive information for users about accounting changes and error corrections.

Question 5.1 from Implementation Guide 2021-1 addresses the collective significance of applying the capitalization threshold to individual items in a group of assets. The School District reviewed its capital asset groupings and determined there were no asset groups where individually the assets were under the capitalization threshold yet were significant collectively.

The implementation of GASB Statement No. 100 and the Implementation Guides did not have any effect on beginning balances.

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

In an effort to promote comparability with other governments, the School District updated its calculation of net position restricted for pension and OPEB plans for fiscal year 2024. This change had no impact on beginning net position, but rather impacted the amounts presented as net position restricted for OPEB plans and unrestricted net position.

Note 4 - Fund Deficits

The Food Service, and the Miscellaneous Federal Grant Special Revenue Funds had deficit fund balances at fiscal year-end of \$73,455, and \$15,375, respectively. These deficits are the result of the recognition of payables in accordance with generally accepted accounting principles as well as short-term loans from the General Fund needed for operations until the receipt of grant monies. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

Note 5 - Budgetary Basis of Accounting

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

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

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

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Net Change in Fund Balance	
	General
GAAP Basis	(\$2,681,956)
Revenue Accruals	4,029,690
Expenditure Accruals	339,183
Market Value Adjustment:	
Beginning of Fiscal Year	(131,142)
End of Fiscal Year	46,404
Prepaid Items:	
Beginning of Fiscal Year	85,425
End of Fiscal Year	(100,204)
Cash Deficits	415,734
Transfers Out	(200,000)
To reclassify excess of expenditures over revenues into financial statement fund types	266
Encumbrances	(173,057)
Budget Basis	\$1,630,343

Note 6 - Deposits and Investments

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

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

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

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

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

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

1. United States Treasury notes, bills, bonds, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio); and,
8. Certain bankers' acceptances (for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if training requirements have been met. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim moneys available for investment at the time of purchase.

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

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

At June 30, 2024, the School District's internal service fund had a cash balance of \$3,213,791 with South Central Ohio Insurance Consortium, a claims servicing pool (See Note 19). The balance is held by the claim's administrator in a pooled account which is representative of numerous entities and, therefore, cannot be included in the risk disclosures reported by the School District. Disclosures for the South Central Ohio Insurance Consortium as a whole may be obtained from the consortium's fiscal agent.

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Investments As of June 30, 2024, the School District had the following investments:

Measurement/Investment	Measurement Amount	Maturity	Rating	Percent of Total Investments
Fair Value - Level 1 Inputs				
Money Market Mutual Fund	\$2,068,688	N/A	N/A	11.79%
Fair Value - Level 2 Inputs				
Federal Agency Securities	8,962,184	08/16/2024-06/27/2029	N/A	51.10%
Negotiable Certificates of Deposit	6,509,162	07/08/2024-06/21/2029	N/A	37.11%
Total	<u>\$17,540,034</u>			

The School District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets. Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The above chart identifies the School District's recurring fair value measurements as of June 30, 2024.

Interest Rate Risk: The School District's investment policy addresses interest rate risk to the extent that it allows the Treasurer to invest funds to a maximum maturity of five years, and allows for the withdrawal of funds from approved public depositories or sell negotiable instruments prior to maturity in accord with the law. 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 School District, and that an investment must be purchased with the expectation that it will be held to maturity.

Credit Risk: Ohio Law requires that the money market mutual funds be rated in the highest category at the time of purchase by at least one nationally recognized statistical organization. The School District has no investment policy related to credit risk beyond the requirement of State Statute.

Concentration of Credit Risk: The School District places no limit on the amount it may invest in any one issuer. The percentage that each investment represents of total investments is listed in the table above.

Note 7 - Property Taxes

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar 2024 represents collections of calendar year 2023 taxes. Real property taxes received in calendar year 2024 were levied after April 1, 2023, on the assessed value listed as of January 1, 2023, the lien date. Assessed values for real property taxes are established by State statute at thirty-five percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Public utility property tax revenue received in calendar 2024 represents collections of calendar year 2023 taxes. Public utility real property taxes received in calendar year 2024 became a lien December 31, 2022, were levied after April 1, 2023, and are collected with real property taxes. Public utility real property is assessed at thirty-five percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Guernsey, Monroe, and Noble Counties. The County Auditors periodically advance to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2024, are available to finance fiscal year 2024 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable includes real property and public utility taxes which are measurable as of June 30, 2024, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reflected as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources - property taxes.

The amount available as an advance at June 30, 2024, was \$601,183 and is recognized as revenue in the General Fund. The amount available as an advance at June 30, 2023, was \$5,179,609 in the General Fund.

On an accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been reported as deferred inflows of resources-unavailable revenue.

The assessed values upon which the fiscal year 2024 taxes were collected are:

	2023 Second Half Collections		2024 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential	\$147,160,480	20.94%	\$164,672,850	22.98%
Commerical/Industrial and Public Utility Real	42,065,640	5.99%	57,577,340	8.04%
Public Utility Personal	513,516,930	73.07%	494,184,740	68.98%
	<u>\$702,743,050</u>	<u>100.00%</u>	<u>\$716,434,930</u>	<u>100.00%</u>
Tax Rate per \$1,000 of assessed valuation		\$30.50		\$30.50

Note 8 - Receivables

Receivables at June 30, 2024, consisted of property taxes, accounts (billings for user charged services and student tuition and fees), interfund, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. Except for property taxes, all receivables are expected to be collected within one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be received within one year.

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

A summary of intergovernmental receivables follows:

	<u>Amounts</u>
Governmental Activities	
Foundation Adjustments	\$27,240
Board of DD Partnership Grant	60,000
IDEA-B Special Education Grant	178,948
Title I Grant	200,976
Title IV-A Grant	14,908
Ohio Bureau of Workers' Compensation Reimbursement	399
High Schools That Work Grant	7,528
Title II-A Grant	11,071
IDEA Early Childhood Special Education Grant	4,605
ESSER II Grant	13,070
Food Service Breakfast and Lunch Reimbursements	3,933
Other Intergovernmental Reimbursements	<u>2,357</u>
Total	<u><u>\$525,035</u></u>

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Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Note 9 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2024, was as follows:

	Balance 6/30/2023	Additions	Reductions	Balance 6/30/2024
<i>Nondepreciable Capital Assets</i>				
Land	\$664,213	\$234,750	\$0	\$898,963
Construction in Progress	1,347,367	3,568,682	(684,763)	4,231,286
<i>Total Nondepreciable Capital Assets</i>	2,011,580	3,803,432	(684,763)	5,130,249
<i>Depreciable/Amortizable Capital Assets</i>				
<i>Tangible Assets</i>				
Land Improvements	3,566,451	0	0	3,566,451
Buildings and Improvements	28,322,551	1,152,341	0	29,474,892
Furniture and Equipment	4,607,102	276,730	(64,639)	4,819,193
Vehicles	2,181,491	469,488	(175,795)	2,475,184
<i>Total Tangible Assets</i>	38,677,595	1,898,559	(240,434)	40,335,720
<i>Intangible Right to Use Lease Assets</i>				
Intangible Right to Use - Equipment	25,408	68,000	(25,408)	68,000
<i>Total Depreciable/Amortizable Capital Assets</i>	38,703,003	1,966,559	(265,842)	40,403,720
<i>Less Accumulated Depreciation/Amortization</i>				
<i>Depreciation</i>				
Land Improvements	(2,525,599)	(66,969)	0	(2,592,568)
Buildings and Improvements	(8,572,553)	(912,913)	0	(9,485,466)
Furniture and Equipment	(1,261,262)	(292,615)	62,727	(1,491,150)
Vehicles	(990,852)	(185,459)	175,795	(1,000,516)
<i>Total Depreciation</i>	(13,350,266)	(1,457,956)	238,522	(14,569,700)
<i>Amortization</i>				
<i>Intangible Right to Use Lease Assets</i>				
Intangible Right to Use - Equipment	(25,408)	(12,467)	25,408	(12,467)
<i>Total Accumulated Depreciation/Amortization</i>	(13,375,674)	(1,470,423)	263,930	(14,582,167)
<i>Total Depreciable/Amortizable Capital Assets, Net</i>	25,327,329	496,136	(1,912)	25,821,553
<i>Governmental Activities Capital Assets, Net</i>	\$27,338,909	\$4,299,568	(\$686,675)	\$30,951,802

Included in the reductions in the above table is an abandonment of construction in progress in the amount of \$49,562, as a result of the amounts previously included in construction in progress not being capitalized by the School District.

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Depreciation/amortization expense was charged to governmental functions as follows:

	<u>Depreciation</u>	<u>Amortization</u>	<u>Total</u>
Instruction:			
Regular	\$459,387	\$12,467	\$471,854
Special	86,059	0	86,059
Vocational	85,684	0	85,684
Support Services:			
Pupils	56,913	0	56,913
Instructional Staff	13,585	0	13,585
Administration	70,094	0	70,094
Fiscal	1,524	0	1,524
Operation and Maintenance of Plant	442,022	0	442,022
Pupil Transportation	113,791	0	113,791
Food Service Operations	58,548	0	58,548
Extracurricular Activities	70,349	0	70,349
Total Depreciation Expense	<u>\$1,457,956</u>	<u>\$12,467</u>	<u>\$1,470,423</u>

Note 10 - Defined Benefit Pension Plans

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

Net Pension Liability/Net OPEB Liability

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

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

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

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

The proportionate share of each plan's unfunded benefits is presented as a *net OPEB asset* or long-term *net pension/OPEB liability* on the accrual basis of accounting. Any liability for the contractually required pension/OPEB contribution outstanding at the end of the year is included in *intergovernmental payable* on both the accrual and modified accrual bases of accounting. The remainder of this note includes the required pension disclosures. See Note 11 for the required OPEB disclosures.

Plan Description - School Employees Retirement System (SERS)

Plan Description – School District non-teaching employees participate in SERS, a cost-sharing multiple-employer defined benefit pension plan administered by SERS. SERS provides retirement, disability and survivor benefits, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Ohio Revised Code Chapter 3309. SERS issues a publicly available, stand-alone financial report that includes financial statements, required supplementary information and detailed information about SERS' fiduciary net position. That report can be obtained by visiting the SERS website at www.ohsers.org under Employers/Audit Resources.

Age and service requirements for retirement are as follows:

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

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

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

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

An individual whose benefit effective date is before April 1, 2018, is eligible for a cost of living adjustment (COLA) on the first anniversary date of the benefit. New benefit recipients must wait until the fourth anniversary of their benefit for COLA eligibility. The COLA is added each year to the base benefit amount on the anniversary date of the benefit. The COLA is indexed to the percentage increase in the CPI-W, not to exceed 2.5 percent and with a floor of 0 percent. A three-year COLA suspension was in effect for all benefit recipients for the years 2018, 2019, and 2020. The Retirement Board approved a 2.5 percent COLA for calendar year 2023.

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2024, the allocation to pension, death benefits, and Medicare B was 14.0 percent. For fiscal year 2024, the Retirement Board did not allocate any employer contribution to the Health Care Fund.

The School District's contractually required contribution to SERS was \$313,620 for fiscal year 2024. Of this amount \$36,352 is reported as an intergovernmental payable.

Plan Description - State Teachers Retirement System (STRS)

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

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

The DB plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective August 1, 2015, the calculation is 2.2 percent of final average salary for the five highest years of earnings multiplied by all years of service. In April 2017, the Retirement Board made the decision to reduce COLA granted on or after July 1, 2017, to 0 percent upon a determination by its actuary that it was necessary to preserve the fiscal integrity of the retirement system. Benefit recipients' base benefit and past cost-of-living increases are not affected by this change. Effective July 1, 2022, a one-time ad-hoc COLA of 3 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2023 as long as they retired prior to July 1, 2018. Effective July 1, 2023, a one-time ad-hoc COLA of 1 percent of the base benefit was granted to eligible benefit recipients to begin on the anniversary of their retirement benefit in fiscal year 2024 as long as they retired prior to July 1, 2019. Pursuant to Ohio Revised Code 3307.67(E) the STRS Ohio Retirement Board may adjust the COLA upon a determination by the board's actuary that a change will not materially impair the fiscal integrity of the system or is necessary to preserve the fiscal integrity of the system. Eligibility changes will be phased in until August 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 34 years of service credit at any age.

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

The DC Plan allows members to place all their member contributions and 11.09 percent of the 14 percent employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS. The remaining 2.91 percent of the 14 percent employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

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

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. New members on or after July 1, 2013, must have at least ten years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. Eligible survivors of members who die before service retirement may qualify for monthly benefits. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the State Teachers Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The 2024 employer and employee contribution rate of 14 percent was equal to the statutory maximum rates. For 2024, the full employer contribution was allocated to pension.

The School District's contractually required contribution to STRS was \$953,469 for fiscal year 2024. Of this amount \$200,852 is reported as an intergovernmental payable.

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

The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The School District's proportion of the net pension liability was based on the School District's share of contributions to the pension plan relative to the contributions of all participating entities.

Noble Local School District, Ohio
Notes to the Basic Financial Statements
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Following is information related to the proportionate share and pension expense:

	SERS	STRS	
Proportion of the Net Pension Liability:			
Current Measurement Date	0.04776730%	0.04576408%	
Prior Measurement Date	0.05213610%	0.04378773%	
Change in Proportionate Share	<u>-0.00436880%</u>	<u>0.00197635%</u>	
Proportionate Share of the Net			Total
Pension Liability	\$2,639,389	\$9,855,266	\$12,494,655
Pension Expense	\$312,026	\$1,060,390	\$1,372,416

At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	SERS	STRS	Total
Deferred Outflows of Resources			
Differences between expected and actual experience	\$113,447	\$359,303	\$472,750
Changes of assumptions	18,696	811,635	830,331
Net difference between projected and actual earnings on pension plan investments	0	0	0
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	65,728	529,614	595,342
School District contributions subsequent to the measurement date	<u>313,620</u>	<u>953,469</u>	<u>1,267,089</u>
Total Deferred Outflows of Resources	<u>\$511,491</u>	<u>\$2,654,021</u>	<u>\$3,165,512</u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$0	\$21,870	\$21,870
Changes of assumptions	0	610,927	610,927
Net difference between projected and actual earnings on pension plan investments	37,099	29,537	66,636
Changes in proportionate share and difference between School District contributions and proportionate share of contributions	<u>173,368</u>	<u>0</u>	<u>173,368</u>
Total Deferred Inflows of Resources	<u>\$210,467</u>	<u>\$662,334</u>	<u>\$872,801</u>

\$1,267,089 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Fiscal Year Ending June 30:	SERS	STRS	Total
2025	\$22,502	\$115,713	\$138,215
2026	(163,313)	(170,103)	(333,416)
2027	126,249	1,062,179	1,188,428
2028	1,966	30,429	32,395
Total	<u>(\$12,596)</u>	<u>\$1,038,218</u>	<u>\$1,025,622</u>

Actuarial Assumptions – SERS

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

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employers and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefit costs between the employers and plan members to that point. The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effects of legal or contractual funding limitations. Future benefits for all current plan members were projected through 2137.

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2023, are presented below:

Inflation	2.4 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
COLA or Ad Hoc COLA	2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.00 percent net of System expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)

Mortality rates were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females.

Noble Local School District, Ohio
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Mortality among disabled members was based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

The most recent experience study was completed for the five-year period ended June 30, 2020.

The long-term return expectation for the Pension Plan Investments has been determined by using a building-block approach and assumes a time horizon, as defined in SERS' *Statement of Investment Policy*. A forecasted rate of inflation serves as the baseline for the return expectation. Various real return premiums over the baseline inflation rate have been established for each asset class. The long-term expected nominal rate of return has been determined by calculating an arithmetic weighted average of the expected real return premiums for each asset class, adding the projected inflation rate, and adding the expected return from rebalancing uncorrelated asset classes. As of June 30, 2023:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Cash	2.00 %	0.75 %
US Equity	24.75	4.82
Non-US Equity Developed	13.50	5.19
Non-US Equity Emerging	6.75	5.98
Fixed Income/Global Bonds	19.00	2.24
Private Equity	12.00	7.49
Real Estate/Real Assets	17.00	3.70
Private Debt/Private Credit	5.00	5.64
Total	<u>100.00 %</u>	

Discount Rate The total pension liability for 2023 was calculated using the discount rate of 7.00 percent. The discount rate determination did not use a municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employers would contribute the actuarially determined contribution rate of projected compensation over the remaining 21-year amortization period of the unfunded actuarial accrued liability. The actuarially determined contribution rate for fiscal year 2023 was 14 percent. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability. The annual money-weighted rate of return, calculated as the internal rate of return on pension plan investments, for fiscal year 2023 was 6.90 percent.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate Net pension liability is sensitive to changes in the discount rate, and to illustrate the potential impact the following table presents the net pension liability calculated using the discount rate of 7.00 percent, as well as what each plan's net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent), or one percentage point higher (8.00 percent) than the current rate.

Noble Local School District, Ohio
Notes to the Basic Financial Statements
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	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$3,895,604	\$2,639,389	\$1,581,268

Actuarial Assumptions -- STRS

Key methods and assumptions used in the June 30, 2023, actuarial valuation are presented below:

Inflation	2.50 percent
Salary increases	From 2.5 percent to 8.5 percent based on service
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation
Discount Rate of Return	7.00 percent
Payroll Increases	3.00 percent
Cost-of-Living Adjustments (COLA)	0.0 percent, effective July 1, 2017

Post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2023, valuation are based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

Noble Local School District, Ohio
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Asset Class	Target Allocation *	Long-Term Expected Rate of Return **
Domestic Equity	26.00%	6.60%
International Equity	22.00	6.80
Alternatives	19.00	7.38
Fixed Income	22.00	1.75
Real Estate	10.00	5.75
Liquidity Reserves	1.00	1.00
Total	<u>100.00%</u>	

* Final target weights reflected at October 1, 2022.

** 10 year annualized geometric nominal returns, which include the real rate of return and inflation of 2.25 percent, and is net of investment expenses. Over a 30-year period, STRS' investment consultant indicates that the above target allocations should generate a return above the actuarial rate of return, without net value added by management.

Discount Rate The discount rate used to measure the total pension liability was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with rate increases described above. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS' fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on pension plan investments of 7.00 percent was applied to all periods of projected benefit payment to determine the total pension liability as of June 30, 2023.

Sensitivity of the School District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate The following table presents the School District's proportionate share of the net pension liability calculated using the current period discount rate assumption of 7.00 percent, as well as what the School District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (6.00 percent) or one-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$15,155,218	\$9,855,266	\$5,372,957

Note 11 - Defined Benefit OPEB Plans

See Note 10 for a description of the net OPEB liability (asset).

Noble Local School District, Ohio
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Plan Description - School Employees Retirement System (SERS)

Health Care Plan Description - The School District contributes to the SERS Health Care Fund, administered by SERS for non-certificated retirees and their beneficiaries. For GASB 75 purposes, this plan is considered a cost-sharing other postemployment benefit (OPEB) plan. SERS' Health Care Plan provides healthcare benefits to eligible individuals receiving retirement, disability, and survivor benefits, and to their eligible dependents. Members who retire after June 1, 1986, need 10 years of service credit, exclusive of most types of purchased credit, to qualify to participate in SERS' health care coverage. The following types of credit purchased after January 29, 1981, do not count toward health care coverage eligibility: military, federal, out-of-state, municipal, private school, exempted, and early retirement incentive credit. In addition to age and service retirees, disability benefit recipients and beneficiaries who are receiving monthly benefits due to the death of a member or retiree, are eligible for SERS' health care coverage. Most retirees and dependents choosing SERS' health care coverage are over the age of 65 and therefore enrolled in a fully insured Medicare Advantage plan; however, SERS maintains a traditional, self-insured preferred provider organization for its non-Medicare retiree population. For both groups, SERS offers a self-insured prescription drug program. Health care is a benefit that is permitted, not mandated, by statute. The financial report of the Plan is included in the SERS Annual Comprehensive Financial Report which can be obtained on SERS' website at www.ohsers.org under Employers/Audit Resources.

The Health Care program is financed through a combination of employer contributions, recipient premiums, investment returns, and any funds received on behalf of SERS' participation in Medicare programs. The System's goal is to maintain a health care reserve account with a 20-year solvency period in order to ensure that fluctuations in the cost of health care do not cause an interruption in the program. However, during any period in which the 20-year solvency period is not achieved, the System shall manage the Health Care Fund on a pay-as-you-go basis.

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

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2024, no allocation was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2024, this amount was \$30,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2024, the School District's surcharge obligation was \$39,672.

The surcharge, added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. The School District's contractually required contribution to SERS was \$39,672 for fiscal year 2024, which is reported as an intergovernmental payable.

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Plan Description - State Teachers Retirement System (STRS)

Plan Description – The State Teachers Retirement System of Ohio (STRS) administers a cost-sharing Health Plan for eligible retirees who participated in the defined benefit or combined pension plans offered by STRS. Ohio law authorizes STRS to offer this plan. Benefits include hospitalization, physicians’ fees, prescription drugs, and partial reimbursement of monthly Medicare Part B premiums. Health care premiums were reduced by a Medicare Part B premium credit beginning in 2023. The Plan is included in the report of STRS which can be obtained by visiting www.strsoh.org or by calling (888) 227-7877.

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All benefit recipients pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2024, STRS did not allocate any employer contributions to post-employment health care.

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

The net OPEB liability (asset) was measured as of June 30, 2023, and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an independent actuarial valuation as of that date. The School District’s proportion of the net OPEB liability (asset) was based on the School District’s share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense:

	SERS	STRS	
Proportion of the Net OPEB Liability(Asset):			
Current Measurement Date	0.04916640%	0.04576408%	
Prior Measurement Date	0.05324910%	0.04378773%	
Change in Proportionate Share	<u>-0.00408270%</u>	<u>0.00197635%</u>	
Proportionate Share of the:			Total
Net OPEB Liability	\$809,989	\$0	\$809,989
Net OPEB (Asset)	\$0	(\$890,048)	(\$890,048)
OPEB Expense	(\$30,970)	(\$37,202)	(\$68,172)

At June 30, 2024, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

Noble Local School District, Ohio
Notes to the Basic Financial Statements
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	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Deferred Outflows of Resources			
Differences between expected and actual experience	\$1,687	\$1,388	\$3,075
Changes of assumptions	273,881	131,117	404,998
Net difference between projected and actual earnings on OPEB plan investments	6,278	1,589	7,867
Changes in proportionate Share and difference between School District contributions and proportionate share of contributions	128,986	12,103	141,089
School District contributions subsequent to the measurement date	<u>39,672</u>	<u>0</u>	<u>39,672</u>
Total Deferred Outflows of Resources	<u><u>\$450,504</u></u>	<u><u>\$146,197</u></u>	<u><u>\$596,701</u></u>
Deferred Inflows of Resources			
Differences between expected and actual experience	\$417,741	\$135,754	\$553,495
Changes of assumptions	230,045	587,241	817,286
Changes in Proportionate Share and difference between School District contributions and proportionate share of contributions	<u>122,238</u>	<u>10,071</u>	<u>132,309</u>
Total Deferred Inflows of Resources	<u><u>\$770,024</u></u>	<u><u>\$733,066</u></u>	<u><u>\$1,503,090</u></u>

\$39,672 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability, or an increase to the net OPEB asset, in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Fiscal Year Ending June 30:			
2025	(\$103,543)	(\$252,059)	(\$355,602)
2026	(90,159)	(120,073)	(210,232)
2027	(52,629)	(46,772)	(99,401)
2028	(37,619)	(63,370)	(100,989)
2029	(32,465)	(58,269)	(90,734)
Thereafter	<u>(42,777)</u>	<u>(46,326)</u>	<u>(89,103)</u>
Total	<u><u>(\$359,192)</u></u>	<u><u>(\$586,869)</u></u>	<u><u>(\$946,061)</u></u>

Actuarial Assumptions – SERS

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

Noble Local School District, Ohio
Notes to the Basic Financial Statements
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Actuarially determined amounts are subject to continual review and potential modifications, as actual results are compared with past expectations and new estimates are made about the future.

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation date of June 30, 2023, are presented below:

	<u>June 30, 2023</u>
Inflation	2.40 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)
Fiduciary Net Position is Projected to be Depleted	2048
Municipal Bond Index Rate:	
Measurement Date	3.86 percent
Prior Measurement Date	3.69 percent
Single Equivalent Interest Rate,	
Measurement Date	4.27 percent
Prior Measurement Date	4.08 percent
Health Care Cost Trend Rate	
Medical Trend Assumption	
Measurement Date	6.75 to 4.40 percent
Prior Measurement Date	7.00 to 4.40 percent

Mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members was based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females.

Noble Local School District, Ohio
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Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table. Mortality rates are projected using a fully generational projection with Scale MP-2020.

The most recent experience study was completed for the five-year period ended June 30, 2020.

The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2016 through 2020 and was adopted by the Board on April 15, 2021. Several factors are considered in evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a long-normal distribution analysis in which best-estimate ranges of expected future real rates of return (expected return, net of investment expense and inflation) were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The SERS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 10.

Discount Rate The discount rate used to measure the total OPEB liability at June 30, 2023, was 4.27 percent. The discount rate used to measure total OPEB liability prior to June 30, 2023, was 4.08 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be depleted in 2048 by SERS' actuaries. The Fidelity General Obligation 20-year Municipal Bond Index Rate was used in the determination of the single equivalent interest rate for both the June 30, 2022, and the June 30, 2023, total OPEB liability. The Municipal Bond Index Rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate was 3.86 percent at June 30, 2023, and 3.69 percent at June 30, 2022.

Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.27%) and higher (5.27%) than the current discount rate (4.27%). Also shown is what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (5.75% decreasing to 3.40%) and higher (7.75% decreasing to 5.40%) than the current rate.

	1% Decrease (3.27%)	Current Discount Rate (4.27%)	1% Increase (5.27%)
School District's proportionate share of the net OPEB liability	\$1,035,398	\$809,989	\$632,245

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	1% Decrease (5.75% decreasing to 3.40%)	Current Trend Rate (6.75% decreasing to 4.40%)	1% Increase (7.75% decreasing to 5.40%)
School District's proportionate share of the net OPEB liability	\$595,071	\$809,989	\$1,094,785

Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2023, actuarial valuation compared to the prior year are presented below:

	June 30, 2023	June 30, 2022
Projected salary increases	Varies by service from 2.5 percent to 8.5 percent	Varies by service from 2.5 percent to 8.5 percent
Investment Rate of Return	7.00 percent, net of investment expenses, including inflation	7.00 percent, net of investment expenses, including inflation
Payroll Increases	3 percent	3 percent
Discount Rate of Return	7.00 percent	7.00 percent
Health Care Cost Trends		
Medical		
Pre-Medicare	7.50 percent initial 4.14 percent ultimate	7.50 percent initial 3.94 percent ultimate
Medicare	-10.94 percent initial 4.14 percent ultimate	-68.78 percent initial 3.94 percent ultimate
Prescription Drug		
Pre-Medicare	-11.95 percent initial 4.14 percent ultimate	9.00 percent initial 3.94 percent ultimate
Medicare	1.33 percent initial 4.14 percent ultimate	-5.47 percent initial 3.94 percent ultimate

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

Healthy retirees post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020; pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. For disabled retirees, mortality rates are based on the Pub-2010 Teachers Disabled Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

Actuarial assumptions used in the June 30, 2023, valuation are based on the results of an actuarial experience study for the period July 1, 2015, through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

The STRS health care plan follows the same asset allocation and long-term expected real rate of return for each major asset class as the pension plan, see Note 10.

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Discount Rate The discount rate used to measure the total OPEB liability was 7.00 percent as of June 30, 2023. The projection of cash flows used to determine the discount rate assumed STRS continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2023. Therefore, the long-term expected rate of return on health care plan investments of 7.00 percent was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2023.

Sensitivity of the School District's Proportionate Share of the Net OPEB Asset to Changes in the Discount and Health Care Cost Trend Rate The following table represents the net OPEB asset as of June 30, 2023, calculated using the current period discount rate assumption of 7.00 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current assumption. Also shown is the net OPEB asset as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net OPEB asset	(\$753,309)	(\$890,048)	(\$1,009,133)

	1% Decrease	Current Trend Rate	1% Increase
School District's proportionate share of the net OPEB asset	(\$1,014,659)	(\$890,048)	(\$739,956)

Note 12 - Long-Term Obligations

Changes in general long-term obligations of the School District during fiscal year 2024 were as follows:

	Outstanding 06/30/2023	Additions	Deductions	Outstanding 06/30/2024	Amounts Due within One Year
Leases Payable	\$1,069	\$68,000	\$12,356	\$56,713	\$12,889
Net Pension Liability:					
STRS	9,734,067	121,199	0	9,855,266	0
SERS	2,819,926	0	180,537	2,639,389	0
Total Net Pension Liability	12,553,993	121,199	180,537	12,494,655	0
Net OPEB Liability:					
SERS	747,624	62,365	0	809,989	0
Sick Leave Benefits Payable	1,146,727	120,595	16,742	1,250,580	45,235
Total Long-Term Obligations	\$14,449,413	\$372,159	\$209,635	\$14,611,937	\$58,124

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Leases During fiscal year 2024 and in prior years, the School District has entered into outstanding agreements to lease copiers. The future lease payments are discounted based on the interest rate implicit in the lease. These discounts are being amortized using the interest method over the life of the lease. These leases will be paid from the general fund.

The School District had an existing copier lease which was originally entered into for a 60-month period and included both a minimum monthly cost for the equipment and per usage charges. The lease term expired in July of 2023.

During fiscal year 2024 the School District entered into a new copier lease. The lease is a 60-month period and include both a minimum monthly cost for the equipment and per-use charges. The lease term expires in July 2028.

A summary of the principal and interest amounts for the remaining lease is as follows:

Year	Leases	
	Principal	Interest
2025	\$12,889	\$2,423
2026	13,517	1,796
2027	14,175	1,137
2028	14,865	447
2029	1,267	5
	<u>\$56,713</u>	<u>\$5,808</u>

The School District's overall legal debt margin at June 30, 2024, was \$64,479,144, with an unvoted debt margin of \$716,435.

Sick leave benefits will be paid from the fund from which the employees' salaries are paid.

There are no repayment schedules for the net pension and OPEB liability. However, employer pension contributions are made from the following funds: General Fund and the Food Service and Federal Grants Special Revenue Funds. For additional information related to the net pension and OPEB liabilities, see Notes 10 and 11.

Note 13 - Interfund Activity

Transfers

Interfund transfers for the year ended June 30, 2024, consisted of the following:

Noble Local School District, Ohio
Notes to the Basic Financial Statements
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	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$0	\$6,210,036
Permanent Improvement Capital Projects Fund	6,000,000	0
Nonmajor Special Revenue Funds:		
Local Grants and Donations	36	0
District Managed Student Activities	150,000	0
Food Service	60,000	0
Total All Funds	<u>\$6,210,036</u>	<u>\$6,210,036</u>

The transfer to the Food Service Special Revenue Fund was to help subsidize the program and maintain a working balance in the fund. The transfer to the Permanent Improvement Capital Projects Fund was to accumulate a balance for future construction projects of the School District. The transfer to the District Managed Student Activities Special Revenue Fund was to allocate resources for Shenandoah athletics. The transfer to the Local Grants and Donations fund was to help subsidize the grant programs and support the working balance in the fund.

Interfund Balances

Unpaid interfund cash advances at June 30, 2024, were as follows:

	<u>Interfund Receivable</u>	<u>Interfund Payable</u>
General Fund	\$498,738	\$0
Nonmajor Special Revenue Funds:		
Food Service	0	83,004
State Grants	0	7,528
Elementary and Secondary School Emergency Relief	0	13,070
Federal Grants	0	395,136
Total All Funds	<u>\$498,738</u>	<u>\$498,738</u>

During fiscal year 2024 and in prior years, the General Fund provided cash flow resources to the above funds which are reflected as an interfund receivable. These interfund loans were used to provide cash flow resources until the receipt of grant monies and other financial resources that the above special revenue funds can accumulate to repay these loans.

Note 14 - Fund Balances

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

Noble Local School District, Ohio
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Fund Balances	General Fund	Permanent Improvement	Other Governmental Funds	Total
Nonspendable:				
Prepays	\$100,204	\$0	\$14,369	\$114,573
Unclaimed Monies	401	0	0	401
Materials and Supplies Inventory	22,502	0	581	23,083
<i>Total Nonspendable</i>	123,107	0	14,950	138,057
Restricted for:				
Local Initiatives	0	0	57,233	57,233
Scholarships	0	0	1,055	1,055
Student Activities	0	0	186,622	186,622
<i>Total Restricted</i>	0	0	244,910	244,910
Committed to:				
Construction Contracts	0	2,803,904	0	2,803,904
Termination Benefits	278,264	0	0	278,264
<i>Total Committed</i>	278,264	2,803,904	0	3,082,168
Assigned to:				
Capital Improvements	0	7,401,966	0	7,401,966
Public School Support	14,705	0	0	14,705
Purchases on Order	90,438	0	0	90,438
<i>Total Assigned</i>	105,143	7,401,966	0	7,507,109
Unassigned (Deficit)	23,232,433	0	(88,830)	23,143,603
<i>Total Fund Balances</i>	\$23,738,947	\$10,205,870	\$171,030	\$34,115,847

Note 15 - Risk Management

Property and Liability

The School District was exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During fiscal year 2024, the School District contracted with the Schools of Ohio Risk Sharing Authority (SORSA) for the following commercial coverage:

- Property and equipment breakdown
- Crime
- General liability
- Educators Legal
- Automobile liability

Noble Local School District, Ohio
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Blanket property and equipment coverage for fiscal year 2024 was \$350,000,000. The deductible was \$1,000. Crime coverage had a limit of \$1,000,000 per loss and a \$1,000 deductible. General liability coverage included a \$17,000,000 aggregate limit and no deductible. Automobile liability coverage included liability, medical payments, uninsured motorists, underinsured motorists, comprehensive, and collision. Auto liability had a \$15,000,000 combined single limit of liability and no deductible.

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

Workers' Compensation

For fiscal year 2024, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of CompManagement, Inc. provides administrative, cost control, and actuarial services to the GRP.

Employee Benefits

Medical/surgical, dental, and vision insurance is offered to employees through a self-insurance internal service fund. The School District is a member of a claims servicing pool in which monthly premiums are paid to the fiscal agent who in turn pays the claims on the School District's behalf. The claims liability of \$436,600 reported in the internal service fund at June 30, 2024, is based on an estimate by South Central Ohio Insurance Consortium and the application of Governmental Accounting Standards Board Statement No. 30 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. The estimate was not affected by the increased claims adjustment expenses and does not include other allocated or unallocated claim adjustment expenses.

Changes in claims activity for 2023 and 2024 were:

	<u>Beginning of Year</u>	<u>Current Year Claims</u>	<u>Claims Payments</u>	<u>Balance at End of Year</u>
2023	\$375,400	\$3,141,752	\$3,084,652	\$432,500
2024	432,500	2,249,302	2,245,202	436,600

Note 16 - Other Employee Benefits

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

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Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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

Note 17 - Jointly Governed Organizations

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

The Ohio Mid-Eastern Regional Educational Service Agency Information Technology Center Regional Council of Governments (OME-RESA) was created as a separate regional council of governments pursuant to State statutes. OME-RESA operates under the direction of a Board comprising a representative from each participating school district. The Board exercises total control over the operations of OME-RESA including budgeting, appropriating, contracting, and designating management. Each participants' control is limited to its representation on the Board. OME-RESA provides information technology and internet access to member districts, as well as cooperative purchasing programs. During fiscal year 2024, the total amount paid to OME-RESA from the School District was \$92,697 for technology services and financial accounting services and educational management information. The Jefferson County Educational Service Center serves as the fiscal agent. To obtain financial information write to Ohio Mid-Eastern Regional Educational Service Agency, Treasurer, at 2230 Sunset Blvd., Suite 2, Steubenville, Ohio 43952.

Mid-East Career and Technology Centers

The Mid-East Career and Technology Centers (Center) is a jointly governed organization providing vocational education services to its thirteen member school districts. The Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from each of the participating school district's boards. The board exercised total control over the operations of the Center including budgeting, appropriating, contracting, and designing management. Each participant's control is limited to its representation on the board. The continued existence of the Center is not dependent on the School District's continued participation and no equity interest exists. During fiscal year 2024, the School District made no payments to the Center. To obtain financial information write to the Mid-East Career and Technology Centers, Nan Nolder, Treasurer, at 1965 Chandlersville Road, Zanesville, Ohio 45701.

Coalition of Rural and Appalachian Schools

The Coalition of Rural and Appalachian Schools is a jointly governed organization composed of over 136 school districts and other educational institutions in the 35-county region of Ohio designated as Appalachia. The Coalition is operated by a Board which is composed of seventeen members. One elected and one appointed from each of the seven regions into which the 35 Appalachian counties are divided; and three from Ohio University College of Education. The Coalition provides various in-service training programs for school district administrative personnel; gathers data regarding the level of education provided to children in the region; cooperates with other professional groups to assess and develop programs designed to meet the needs of member districts; and provides staff development programs for school district personnel. The Coalition is not dependent on the continued participation of the School District and the School District does not maintain an equity interest in or financial responsibility for the Coalition. The School District's membership fee was \$400 for fiscal year 2024. The financial information for the Coalition can be obtained from the Executive Director, at McCracken Hall, Ohio University, Athens, Ohio 45701.

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Ohio Coalition for Equity and Adequacy of School Funding

The Ohio Coalition of Equity and Adequacy of School Funding is organized as a council of governments pursuant to Chapter 167 of the Ohio Revised Code. The Coalition was organized in 1990 to challenge the constitutionality of the Ohio school funding system. The Coalition is governed by a Steering Committee of 90 school district representatives. Though most of the members are superintendents, some treasurers, board members, and administrators also serve. Several persons serve as ex officio members. The membership of the coalition includes over 500 school districts throughout the State of Ohio. Member school districts and joint vocational schools pay dues of \$.05 per pupil. School districts and joint vocational schools may also pay supplemental dues in the amount of \$.50 per pupil for K-12 districts and educational service centers pay dues of \$.05 per pupil. The Coalition is not dependent on the continued participation of the School District and the School District does not maintain an equity interest or financial responsibility for the Coalition. During 2024, the School District paid \$487 for membership fees to the Coalition.

Note 18 - Insurance Purchasing Pool

Ohio School Boards Association Workers' Compensation Group Rating Plan (GRP)

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

Note 19 - Public Entity Risk Sharing, Claims Servicing, and Insurance Purchasing Pools

South Central Ohio Insurance Consortium (SCOIC)

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

The SCOIC members are considered self-insured and pay a month premium to SCOIC that is actuarially calculated based on the participants' actual claims experience which are utilized for the payment of claims within the claims servicing pool up to the self-insurance deductible limit; and for this portion of the plan, all plan participants retain their own risk. An additional fee is paid for the participation in the internal pool that is based on the claims of the internal pool in aggregate and is not based on individual claims experience. In the event of a deficiency in the internal pool, participants would be charged a higher rate or participation, and in the event of a surplus, the internal pool pays dividends to participants. SCOIC members participate in the shared risk pool through the Jefferson Health Plan for individual claims from \$100,000 to \$200,000. SCOIC members are then covered under stop loss coverage for claims over \$200,000 from IOA-Re.

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

In the event that the School District would withdraw from SCOIC, the School District would be required to give a 180 day notice prior to the end of their three year contract, be responsible for all run-out claims, and would have no rights to share in any surplus funds of SCOIC. To obtain financial information for the SCOIC, write to the fiscal agent, Bloom Carroll Local School District, 5240 Plum Road NW, Carroll, Ohio 43112.

Schools of Ohio Risk Sharing Authority, Inc. (SORSA)

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

Note 20 - Set-Aside Calculations

The School District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the acquisition and construction of capital improvements.

Amounts not spent by fiscal year-end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year-end and carried forward to be used for the same purposes in future fiscal years.

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

	Capital Improvements
Set-aside Balance as of June 30, 2023	\$0
Current Year Set-aside Requirement	214,068
Offsetting Credits	(6,000,000)
Qualifying Disbursements	(129,241)
Total	(\$5,915,173)
Set-aside Balance Carried Forward to Future Fiscal Years	\$0

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

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

Note 21 - Significant Commitments

Contractual Commitments

As of June 30, 2024, the School District has contractual purchase commitments as follows:

Project	Fund	Contract Amount	Amount Expended	Balance at 06/30/2024
Phase VI Project	Permanent Improvement	\$3,234,200	\$2,937,144	\$297,056
Phase VII Project	Permanent Improvement	3,636,560	1,291,147	2,345,413
Phase VIII Project	Permanent Improvement	13,465	2,995	10,470
Total Contractual Commitments		<u>\$6,884,225</u>	<u>\$4,231,286</u>	<u>\$2,652,939</u>

Encumbrances

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

General Fund	\$173,057
Permanent Improvement Capital Projects Fund	2,803,904
Other Governmental Funds	<u>43,674</u>
Total	<u>\$3,020,635</u>

Note 22 - Donor Restricted Endowments

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

Note 23 - Contingencies

Grants

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with the terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2024.

Noble Local School District, Ohio
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2024

Litigation

The School District is currently not party to legal proceedings.

School Foundation

School Foundation funding is based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education and Workforce (DEW) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year-end. As of the date of this report, DEW adjustments for fiscal year 2024 are finalized. As a result, the impact of future FTE adjustments on the fiscal year 2024 financial statements is not determinable, at this time. Management believes this may result in either an additional receivable to, or a liability of, the School District.

Note 24 - COVID-19

The United States and the State of Ohio declared a state of emergency in March 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June 2021, while the national state of emergency ended in April 2023. During fiscal year 2024, the School District received COVID-19 funding. The School District will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

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

	2024	2023	2022	2021
School District's Proportion of the Net Pension Liability	0.04776730%	0.05213610%	0.04857920%	0.04517110%
School District's Proportionate Share of the Net Pension Liability	\$2,639,389	\$2,819,926	\$1,792,432	\$2,987,712
School District's Covered Payroll	\$1,945,386	\$1,895,236	\$1,710,793	\$1,590,314
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	135.67%	148.79%	104.77%	187.87%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	76.06%	75.82%	82.86%	68.55%

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015
0.04370810%	0.04374750%	0.04224740%	0.04352560%	0.04284730%	0.04507300%
\$2,615,134	\$2,505,500	\$2,524,189	\$3,185,672	\$2,444,907	\$2,281,119
\$1,499,652	\$1,419,704	\$1,318,900	\$1,360,443	\$1,291,143	\$1,312,350
174.38%	176.48%	191.39%	234.16%	189.36%	173.82%
70.85%	71.36%	69.50%	62.98%	69.16%	71.70%

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

	2024	2023	2022	2021
School District's Proportion of the Net Pension Liability	0.04576408%	0.04378773%	0.04313904%	0.04168659%
School District's Proportionate Share of the Net Pension Liability	\$9,855,266	\$9,734,067	\$5,515,713	\$10,086,672
School District's Covered Payroll	\$6,539,107	\$5,699,829	\$5,339,107	\$5,040,029
School District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	150.71%	170.78%	103.31%	200.13%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	80.00%	78.90%	87.80%	75.50%

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017	2016	2015
0.04057156%	0.03961780%	0.03810152%	0.03809452%	0.04026800%	0.04040390%
\$8,972,157	\$8,711,065	\$9,051,098	\$12,751,384	\$11,128,897	\$9,827,627
\$4,791,329	\$4,557,586	\$4,189,050	\$4,373,379	\$4,203,271	\$4,152,054
187.26%	191.13%	216.07%	291.57%	264.77%	236.69%
77.40%	77.30%	75.30%	66.80%	72.10%	74.70%

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

	2024	2023	2022	2021
School District's Proportion of the Net OPEB Liability	0.04916640%	0.05324910%	0.05021970%	0.04709440%
School District's Proportionate Share of the Net OPEB Liability	\$809,989	\$747,624	\$950,449	\$1,023,515
School District's Covered Payroll	\$1,945,386	\$1,895,236	\$1,710,793	\$1,590,314
School District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	41.64%	39.45%	55.56%	64.36%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	30.02%	30.34%	24.08%	18.17%

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

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017
0.04448880%	0.04458850%	0.04287720%	0.04417430%
\$1,128,839	\$1,237,004	\$1,150,711	\$1,259,131
\$1,499,652	\$1,419,704	\$1,318,900	\$1,360,443
75.27%	87.13%	87.25%	92.55%
15.57%	13.57%	12.46%	11.49%

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

	2024	2023	2022	2021
School District's Proportion of the Net OPEB Liability	0.04576408%	0.04378773%	0.04313904%	0.04168659%
School District's Proportionate Share of the Net OPEB Liability (Asset)	(\$890,048)	(\$1,133,810)	(\$909,553)	(\$732,641)
School District's Covered Payroll	\$6,539,107	\$5,699,829	\$5,339,107	\$5,040,029
School District's Proportionate Share of the Net OPEB Liability/Asset as a Percentage of its Covered Payroll	-13.61%	-19.89%	-17.04%	-14.54%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	168.50%	230.70%	174.70%	182.10%

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

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

See accompanying notes to the required supplementary information

2020	2019	2018	2017
0.04057156%	0.03961780%	0.03810152%	0.03809452%
(\$671,965)	(\$636,618)	\$1,486,581	\$2,037,305
\$4,791,329	\$4,557,586	\$4,189,050	\$4,373,379
-14.02%	-13.97%	35.49%	46.58%
174.70%	176.00%	47.10%	37.30%

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

	2024	2023	2022	2021	2020
Net Pension Liability					
Contractually Required Contribution	\$313,620	\$272,354	\$265,333	\$239,511	\$222,644
Contributions in Relation to the Contractually Required Contribution	(313,620)	(272,354)	(265,333)	(239,511)	(222,644)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$2,240,143	\$1,945,386	\$1,895,236	\$1,710,793	\$1,590,314
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>
Net OPEB Liability					
Contractually Required Contribution (2)	\$39,672	\$36,015	\$34,465	\$32,854	\$31,297
Contributions in Relation to the Contractually Required Contribution	(39,672)	(36,015)	(34,465)	(32,854)	(31,297)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
OPEB Contributions as a Percentage of Covered Payroll	<u>1.77%</u>	<u>1.85%</u>	<u>1.82%</u>	<u>1.92%</u>	<u>1.97%</u>
Total Contributions as a Percentage of Covered Payroll (2)	<u>15.77%</u>	<u>15.85%</u>	<u>15.82%</u>	<u>15.92%</u>	<u>15.97%</u>

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

(2) Includes Surcharge

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015
\$202,453	\$191,660	\$184,646	\$190,462	\$170,173
(202,453)	(191,660)	(184,646)	(190,462)	(170,173)
\$0	\$0	\$0	\$0	\$0
\$1,499,652	\$1,419,704	\$1,318,900	\$1,360,443	\$1,291,143
13.50%	13.50%	14.00%	14.00%	13.18%
\$33,345	\$32,105	\$23,396	\$22,635	\$33,542
(33,345)	(32,105)	(23,396)	(22,635)	(33,542)
\$0	\$0	\$0	\$0	\$0
2.22%	2.26%	1.77%	1.66%	2.60%
15.72%	15.76%	15.77%	15.66%	15.78%

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

	2024	2023	2022	2021	2020
Net Pension Liability					
Contractually Required Contribution	\$953,469	\$915,475	\$797,976	\$747,475	\$705,604
Contributions in Relation to the Contractually Required Contribution	(953,469)	(915,475)	(797,976)	(747,475)	(705,604)
Contribution Deficiency (Excess)	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>
School District Covered Payroll (1)	\$6,810,493	\$6,539,107	\$5,699,829	\$5,339,107	\$5,040,029
Pension Contributions as a Percentage of Covered Payroll	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>	<u>14.00%</u>

(1) Although the covered payroll for the net OPEB liability is the same as the net pension liability, there were no OPEB related required contributions for 2015-2024 as STRS did not allocate any employer contributions to postemployment health care. There is no required supplementary information to present related to the statutorily established employer contribution requirements for the net OPEB liability.

See accompanying notes to the required supplementary information

2019	2018	2017	2016	2015
\$670,786	\$638,062	\$586,467	\$612,273	\$588,458
(670,786)	(638,062)	(586,467)	(612,273)	(588,458)
\$0	\$0	\$0	\$0	\$0
\$4,791,329	\$4,557,586	\$4,189,050	\$4,373,379	\$4,203,271
14.00%	14.00%	14.00%	14.00%	14.00%

Noble Local School District, Ohio
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

Net Pension Liability

Changes in Benefit Terms/Assumptions – SERS

Beginning in fiscal year 2018, on each anniversary of the initial retirement, the allowance of all retirees and survivors may be increased by the annual rate of increase in the CPI-W measured as of the June preceding the beginning of the applicable calendar year. The annual rate of increase shall not be less than 0 percent nor greater than 2.5 percent. The COLA was suspended for 2018-2020. Prior to 2018, an assumption of 3 percent was used. For 2021, the cost-of-living adjustment was reduced from 2.5 percent to 2 percent. For 2023 and 2024, the cost-of-living adjustment was increased from 2 percent to 2.5 percent.

Amounts reported in 2022 incorporate changes in assumptions used by SERS in calculating the total pension liability in the latest actuarial valuation. These assumptions compared with those used in prior years are presented below:

	<u>Fiscal Year 2022</u>	<u>Fiscal Years 2021-2017</u>	<u>Fiscal Year 2016 and Prior</u>
Wage Inflation	2.4 percent	3.00 percent	3.25 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent	4.00 percent to 22.00 percent
Investment Rate of Return	7.0 percent net of system expenses	7.50 percent net of investments expense, including inflation	7.75 percent net of investments expense, including inflation

Beginning in 2022, amounts reported use mortality rates based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

Amounts report for 2017 through 2021 use mortality rates that are based on the RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females. Amounts reported for fiscal year 2016 and prior, use mortality assumptions that are based on the 1994 Group Annuity Mortality Table set back one year for both men and women. Special mortality tables were used for the period after disability retirement.

Changes in Assumptions - STRS

Beginning with fiscal year 2022, amounts reported incorporate changes in assumptions and changes in benefit terms used by STRS in calculating the total pension liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal years 2018-2021 and fiscal year 2017 and prior are presented below:

Noble Local School District, Ohio
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

	<u>Fiscal Year 2022</u>	<u>Fiscal Years 2021-2018</u>	<u>Fiscal Year 2017 and Prior</u>
Inflation	2.50 percent	2.50 percent	2.75 percent
Projected salary increases	Varies by Service from 2.5 percent to 8.5 percent	12.50 percent at age 20 to 2.50 percent at age 65	12.25 percent at age 20 to 2.75 percent at age 70
Investment Rate of Return	See Below	See Below	See Below
Payroll Increases	3 percent	3 percent	3.5 percent
Cost-of-Living Adjustment (COLA)	0.0 percent, effective July 1, 2017	0.0 percent, effective July 1, 2017	2 percent simple applied as follows: for members retiring before August 1, 2013, 2 percent per year; for members retiring after August 1, 2013, or later, COLA commences on fifth anniversary of retirement date.

Investment rate of return:

Fiscal Years 2022 through 2024	7.00 percent, net of investment expenses, including inflation
Fiscal Years 2018 through 2021	7.45 percent, net of investment expenses, including inflation
Fiscal Year 2017 and prior	7.75 percent, net of investment expenses, including inflation

Beginning with fiscal year 2022, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110 percent for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95 percent for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

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

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

Noble Local School District, Ohio
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

Changes in Benefit Term – STRS Pension

For 2024, demographic assumptions were changed based on the actuarial experience study for the period July 1, 2015, through June 30, 2021.

For fiscal year 2023, the Board approved a one-time 3 percent COLA effective on the anniversary of a benefit recipient's retirement date for those eligible during fiscal year 2023 and eliminated the age 60 requirement to receive unreduced retirement that was scheduled to go into effect August 1, 2026.

Net OPEB Liability

Changes in Assumptions – SERS

Beginning with fiscal year 2022, amounts reported incorporate changes in assumptions and changes in benefit terms used by SERS in calculating the total OPEB liability in the latest actuarial valuation. These new assumptions compared with those used in fiscal year 2021 and prior are presented below:

	<u>2022</u>	<u>2021 and Prior</u>
Inflation	2.40 percent	3.00 percent
Future Salary Increases, including inflation		
Wage Increases	3.25 percent to 13.58 percent	3.50 percent to 18.20 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation	7.50 percent net of investment expense, including inflation

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

Municipal Bond Index Rate:

Fiscal year 2024	3.86 percent
Fiscal year 2023	3.69 percent
Fiscal year 2022	1.92 percent
Fiscal year 2021	2.45 percent
Fiscal year 2020	3.13 percent
Fiscal year 2019	3.62 percent
Fiscal year 2018	3.56 percent
Fiscal year 2017	2.92 percent

**Single Equivalent Interest Rate, net of plan investment expense,
including price inflation**

Fiscal year 2024	4.27 percent
Fiscal year 2023	4.08 percent
Fiscal year 2022	2.27 percent
Fiscal year 2021	2.63 percent
Fiscal year 2020	3.22 percent
Fiscal year 2019	3.70 percent
Fiscal year 2018	3.63 percent
Fiscal year 2017	2.98 percent

Noble Local School District, Ohio
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

Changes in Assumptions – STRS

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

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

For fiscal year 2022, the discount rate was decreased from 7.45 percent to the long-term expected rate of return of 7.00.

For fiscal year 2023, the projected salary increases were changed from age based to service based. Healthcare trends were updated to reflect emerging claims and recoveries experience.

Changes in Benefit Terms – STRS OPEB

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

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

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

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

Noble Local School District, Ohio
Notes to Required Supplementary Information
For the Fiscal Year Ended June 30, 2024

For fiscal year 2022, there was no change to the claims costs process. Claim curves were updated to reflect the projected fiscal year ending June 30, 2022, premium based on June 30, 2021, enrollment distribution. The non-Medicare subsidy percentage was increased effective January 1, 2022, from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in CY 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

For fiscal year 2023, healthcare trends were updated to reflect emerging claims and recoveries experience.

For fiscal year 2024, healthcare trends were updated to reflect emerging claims and recoveries experience as well as benefit changes effective January 1, 2024.

NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2024

FEDERAL GRANTOR <i>Pass Through Grantor</i> Program / Cluster Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF AGRICULTURE			
<i>Passed Through Ohio Department of Education and Workforce</i>			
Child Nutrition Cluster			
Non-Cash Assistance (Food Distribution):			
National School Lunch Program	10.555	2024	\$28,119
Cash Assistance:			
School Breakfast Program	10.553	2024	132,947
National School Lunch Program	10.555	2024	207,413
COVID-19 National School Lunch Program	10.555	2024	33,684
Cash Assistance Subtotal			<u>374,044</u>
Total Child Nutrition Cluster			<u>402,163</u>
Total U.S. Department of Agriculture			402,163
U.S. DEPARTMENT OF EDUCATION			
<i>Passed Through Ohio Department of Education and Workforce</i>			
Title I Grants to Local Educational Agencies	84.010	2023	26,751
		2024	<u>273,021</u>
Total Title I Grants to Local Educational Agencies			299,772
Special Education Cluster			
Special Education - Grants to States	84.027	2023	8,562
		2024	<u>220,036</u>
Total Special Education - Grants to States			228,598
Special Education - Preschool Grants	84.173	2024	<u>4,605</u>
Total Special Education Cluster			233,203
Supporting Effective Instruction State Grants	84.367	2024	44,443
Student Support and Academic Enrichment Program	84.424	2023	19,704
Student Support and Academic Enrichment Program - Stronger Connections Grant	84.424F	2024	<u>5,918</u>
Total Student Support and Academic Enrichment Program			25,622
American Rescue Plan Elementary and Secondary School Emergency Relief Fund (ARP ESSER)	84.425U	2024	<u>143,334</u>
Total U.S. Department of Education			746,374
U.S. DEPARTMENT OF THE TREASURY			
<i>Passed Through Ohio Office of Budget and Management</i>			
Coronavirus State and Local Fiscal Recovery Funds	21.027	2024	<u>98,686</u>
Total U.S. Department of the Treasury			<u>98,686</u>
Total Expenditures of Federal Awards			<u><u>\$1,247,223</u></u>

The accompanying notes are an integral part of this Schedule.

**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR 200.510(b)(6)
FOR THE YEAR ENDED JUNE 30, 2024**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of Noble Local School District (the School District) under programs of the federal government for the year ended June 30, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

The School District has elected not to use the 15-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE D - CHILD NUTRITION CLUSTER

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

NOTE E – FOOD DONATION PROGRAM

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

NOTE F - TRANSFERS BETWEEN PROGRAM YEARS

Federal regulations require schools to obligate certain federal awards by June 30. However, with DEW's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The School District transferred the following amounts from 2024 to 2025 programs:

<u>Program Title</u>	<u>AL Number</u>	<u>Amount</u> <u>Transferred</u>
Title I Grants to Local Educational Agencies	84.010	\$ 14,743
Improving Teacher Quality State Grants	84.367	\$ 14,940

OHIO AUDITOR OF STATE KEITH FABER



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

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

To the Board of Education:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Noble Local School District, Noble County, Ohio (the School District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements and have issued our report thereon dated March 20, 2025.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the School District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control. Accordingly, we do not express an opinion on the effectiveness of the School District's internal control.

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

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

Report on Compliance and Other Matters

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

March 20, 2025



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

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

To the Board of Education

Report on Compliance for the Major Federal Program

Opinion on the Major Federal Program

We have audited Noble Local School District's, Noble County, (the School District), compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on Noble Local School District's major federal program for the year ended June 30, 2024. Noble Local School District's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying Schedule of Findings.

In our opinion, Noble Local School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2024.

Basis for Opinion on the Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the School District and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the School District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

The School District's Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the School District's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the School District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the School District's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the School District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the School District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the School District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. 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 type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of this testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Keith Faber
Auditor of State
Columbus, Ohio

March 20, 2025

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**NOBLE LOCAL SCHOOL DISTRICT
NOBLE COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
JUNE 30, 2024**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	No
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	No
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Program's Compliance Opinion	Unmodified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Program (list): <ul style="list-style-type: none"> Title I – CFDA #84.010 	
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	Yes

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

None

3. FINDINGS AND QUESTIONED COSTS FOR FEDERAL AWARDS

None

OHIO AUDITOR OF STATE KEITH FABER



NOBLE LOCAL SCHOOL DISTRICT

NOBLE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 3/27/2025

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This report is a matter of public record and is available online at
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