



Dave Yost • Auditor of State



**NOBLE COUNTY**  
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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Noble County  
200 Courthouse Square  
Caldwell, Ohio 43724

To the Board of County Commissioners:

### ***Report on the Financial Statements***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Noble County, Ohio (the County), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements as listed in the Table of Contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

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

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

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

***Opinion***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Noble County, Ohio, as of December 31, 2014, and the respective changes in financial position and, where applicable, cash flows, thereof and the respective budgetary comparisons for the General, Job and Family Services and Motor Vehicle and Gasoline Tax Funds thereof for the year then ended in accordance with the accounting principles generally accepted in the United States of America.

***Other Matters***

*Required Supplementary Information*

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

*Supplementary Information*

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

The Schedule of Federal Awards Expenditures (the Schedule) presents additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations and is not a required part of the financial statements.

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

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated September 21, 2014, on our consideration of the County's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the County's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

September 21, 2015

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## Noble County, Ohio

### Management's Discussion and Analysis For the Year Ended December 31, 2014 Unaudited

Management's Discussion and Analysis (MD&A) provides the reader with a narrative and analysis of the County of Noble, Ohio's (the County) financial activities for the year ended December 31, 2014. The intent of this discussion and analysis is to look at the County's financial performance as a whole. The MD&A should be read in conjunction with the basic financial statements and notes to the basic financial statements to enhance their understanding of the County's financial performance.

#### Financial Highlights

Key financial highlights for fiscal year 2014 are as follows:

- The assets of Noble County exceeded its liabilities at the close of the year ended December 31, 2014, by \$44,712,499 (net position). Of this amount, \$5,372,604 may be used to meet the County's ongoing obligations to citizens and creditors.
- The County's total net position increased by \$2,832,323 from the total net position at the beginning of the year 2014.
- At the end of the current year, the County reported unrestricted net position for governmental activities of \$4,948,119.
- At the end of the current year, the County's governmental funds reported a combined ending fund balance of \$10,279,835, an increase of \$1,580,024 from the prior year. Of this amount, \$2,126,426 is available for spending (unassigned fund balance) on behalf of its citizens.
- At the end of the current year, unassigned fund balance for the General Fund was \$2,154,300, which represents 54 percent of total General Fund expenditures.

#### Using this Annual Financial Report

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

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

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

## Noble County, Ohio

### Management's Discussion and Analysis For the Year Ended December 31, 2014 Unaudited

#### **Government-Wide Financial Statements**

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

#### ***Statement of Net Position and Statement of Activities***

While these documents contain information about the funds used by the County to provide services to our citizens, the view of the County as a whole looks at all financial transactions and asks the question, "How did we do financially during 2014?" The Statement of Net Position and the Statement of Activities answer this question.

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

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

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

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

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

#### **Reporting Noble County's Most Significant Funds**

##### ***Fund Financial Statements***

The basic governmental fund financial statements begin on page 17. Fund financial reports provide detailed information about the most significant funds, not the County as a whole. The County uses many funds to account for a multitude of financial transactions. However, these fund financial statements focus on the County's most significant funds. The County's major governmental funds include the General Fund and the Job and Family Services and Motor Vehicle and Gasoline Tax Special Revenue Funds, and the County Building Capital Projects Fund.

## Noble County, Ohio

### Management's Discussion and Analysis For the Year Ended December 31, 2014 Unaudited

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

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

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

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

#### Government-Wide Financial Analysis

Recall that the Statement of Net Position provides the perspective of the County as a whole. Table 1 provides a summary of the County's net position for 2014 compared to 2013:

**Noble County, Ohio**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2014  
Unaudited**

Table 1  
Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
<b>Assets</b>						
Current and Other Assets	\$16,639,566	\$14,172,163	\$435,643	\$1,849,035	\$17,075,209	\$16,021,198
Capital Assets	26,962,290	24,174,790	7,402,502	5,587,534	34,364,792	29,762,324
Total Assets	<u>43,601,856</u>	<u>38,346,953</u>	<u>7,838,145</u>	<u>7,436,569</u>	<u>51,440,001</u>	<u>45,783,522</u>
<b>Liabilities</b>						
Long-Term Liabilities	(2,446,167)	(752,123)	(809,888)	(220,784)	(3,256,055)	(972,907)
Other Liabilities	<u>(1,156,369)</u>	<u>(542,870)</u>	<u>(10,487)</u>	<u>(243,488)</u>	<u>(1,166,856)</u>	<u>(786,358)</u>
Total Liabilities	<u>(3,602,536)</u>	<u>(1,294,993)</u>	<u>(820,375)</u>	<u>(464,272)</u>	<u>(4,422,911)</u>	<u>(1,759,265)</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes not Levied to Finance						
Current Year Operations	<u>(2,304,591)</u>	<u>(2,144,081)</u>	<u>0</u>	<u>0</u>	<u>(2,304,591)</u>	<u>(2,144,081)</u>
<b>Net Position</b>						
Net Investment in						
Capital Assets	25,108,377	23,966,472	6,593,285	5,135,238	31,701,662	29,101,710
Restricted	7,638,233	7,369,252	0	0	7,638,233	7,369,252
Unrestricted	<u>4,948,119</u>	<u>3,572,155</u>	<u>424,485</u>	<u>1,837,059</u>	<u>5,372,604</u>	<u>5,409,214</u>
Total Net Position	<u>\$37,694,729</u>	<u>\$34,907,879</u>	<u>\$7,017,770</u>	<u>\$6,972,297</u>	<u>\$44,712,499</u>	<u>\$41,880,176</u>

As noted earlier, the County's net position, when reviewed over time, may serve as a useful indicator of the County's financial position. In the case of the County, assets exceeded liabilities and deferred inflows of resources by \$44,712,499 (\$37,694,729 in governmental activities and \$7,017,770 in business-type activities) as of December 31, 2014. The County's net position is reflected in three categories, Net Investment in Capital Assets, Restricted, and Unrestricted. The largest portion of the County's net position (71 percent) reflects its investment in capital assets, (e.g., land, construction in progress, buildings and improvements, machinery, equipment, furniture and fixtures, vehicles, and infrastructure), net of related debt. The County uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the County's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to pay these liabilities. The restricted portion of the County's net position (17 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of net position is unrestricted (12 percent) which may be used to meet the County's ongoing obligations to its citizens and creditors.

The County's total net position increased 6.7 percent or \$2,832,323 during 2014. However, for governmental activities, the change in the separate components of net position is more prevalent in unrestricted net position, an increase of \$1,375,964. This change is a result of an increase in cash and cash equivalents. The County has seen an increase sales tax and charges for services revenues due to the local oil and gas industry. Another large change is in net investment in capital assets, an increase of \$1,141,905, as evidenced by current year capitalizations exceeding depreciation. For business-type activities, the change in net position is almost equal in both net investment in capital assets and unrestricted net position, directly the result of the County securing funding for capital assets without incurring capital related debt.

Noble County, Ohio

Management's Discussion and Analysis  
For the Year Ended December 31, 2014  
Unaudited

Table 2 shows the changes in net position for 2014, compared to the changes in net position for 2013:

Table 2  
Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Revenues:						
Program Revenues						
Charges for Services	\$2,358,362	\$2,428,437	\$103,827	\$141,319	\$2,462,189	\$2,569,756
Operating Grants, Contributions and Interest	6,007,230	5,992,982	0	0	6,007,230	5,992,982
Capital Grants and Contributions	1,070,547	719,611	90,463	1,161,859	1,161,010	1,881,470
Total Program Revenues	9,436,139	9,141,030	194,290	1,303,178	9,630,429	10,444,208
General Revenues						
Property Taxes	2,189,272	2,159,639	0	0	2,189,272	2,159,639
Sales Taxes	2,686,028	2,242,557	0	0	2,686,028	2,242,557
Intergovernmental	518,205	514,608	0	0	518,205	514,608
Investment Earnings	53,574	59,216	0	0	53,574	59,216
Miscellaneous	363,428	543,509	148	2,013	363,576	545,522
Total General Revenues	5,810,507	5,519,529	148	2,013	5,810,655	5,521,542
Total Revenues	15,246,646	14,660,559	194,438	1,305,191	15,441,084	15,965,750
Program Expenses						
General Government						
Legislative and Executive	2,178,508	2,214,902	0	0	2,178,508	2,214,902
Judicial	553,514	466,973	0	0	553,514	466,973
Public Safety	1,719,822	1,666,368	0	0	1,719,822	1,666,368
Public Works	3,638,461	3,907,112	0	0	3,638,461	3,907,112
Health	1,083,945	1,130,133	0	0	1,083,945	1,130,133
Human Services	2,715,559	2,479,137	0	0	2,715,559	2,479,137
Economic Development and Assistance	256,162	534,760	0	0	256,162	534,760
Economic Development and Assistance - External Portion	280,404	280,874	0	0	280,404	280,874
Interest and Fiscal Charges	33,421	24,013	0	0	33,421	24,013
Sewer	0	0	148,965	243,332	148,965	243,332
Total Expenses	12,459,796	12,704,272	148,965	243,332	12,608,761	12,947,604
Change in Net Position	2,786,850	1,956,287	45,473	1,061,859	2,832,323	3,018,146
Net Position Beginning of Year	34,907,879	32,951,592	6,972,297	5,910,438	41,880,176	38,862,030
Net Position End of Year	\$37,694,729	\$34,907,879	\$7,017,770	\$6,972,297	\$44,712,499	\$41,880,176

**Noble County, Ohio**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2014  
Unaudited**

**Governmental Activities**

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

Our County, which is dependent upon property taxes is hampered by a lack of revenue growth and must periodically return to the voters to maintain a constant level of service. The last successful levy renewal/passage was passed during the November 2009 election. Property and sales taxes made up 32 percent of revenues for governmental activities for Noble County in the year 2014.

The largest Governmental Activities program expenses are public works and human services, which comprises 29 percent and 22 percent, respectively, of total expenses. Each program expense remained relatively consistent from the prior year showing the County is trying to maintain expenses within allowable resources. The largest change was in the public works program which showed a decrease relating to the activities of the County highway department. Expenses decreased in the amount of \$268,651. Interest expense during fiscal year 2014 was \$33,421 and was attributable to outstanding general obligation bonds and capital leases for the purchase of equipment.

**Business-Type Activities**

The net position for business-type activities increased \$45,473 during 2014. Capital grants and contributions from intergovernmental receivables decreased from the prior year as the money received from these grants were used for capital acquisitions.

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

Table 3

	Total Cost of Services <u>2014</u>	Net Cost of Services <u>2014</u>	Total Cost of Services <u>2013</u>	Net Cost of Services <u>2013</u>
General Government				
Legislative and Executive	\$2,178,508	\$826,301	\$2,214,902	\$806,370
Judicial	553,514	363,513	466,973	255,107
Public Safety	1,719,822	954,918	1,666,368	1,105,591
Public Works	3,638,461	(800,063)	3,907,112	(96,437)
Health	1,083,945	768,283	1,130,133	845,479
Human Services	2,715,559	725,622	2,479,137	432,063
Economic Development and Assistance	536,566	151,662	815,634	191,056
Interest and Fiscal Charges	33,421	33,421	24,013	24,013
Total Expenses	<u>\$12,459,796</u>	<u>\$3,023,657</u>	<u>\$12,704,272</u>	<u>\$3,563,242</u>

## Noble County, Ohio

### Management's Discussion and Analysis For the Year Ended December 31, 2014 Unaudited

Operating grants, contributions, and interest (64 percent) are the primary source of program revenues, whereas property and sales taxes (84 percent) are the primary sources of general revenues. The County's dependence upon tax revenues for the shortfall in program revenues is apparent. The net cost of \$826,301 in the legislative and executive program represents activities that serve the County's residents. As a result, this program relies on the general revenues of the County to support its activities. Other programs that have a large net cost are the public safety and health programs. To help reduce the tax burden and increase program revenues for public safety programs, the County has contracts for the housing of prisoners from other entities outside the County. Also, the voters have approved tax levies for the developmental disabilities and health department programs to provide general revenue for the implementation of these health programs in the County.

#### The County's Funds

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

The General Fund is the chief operating fund of the County. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$2,154,300 with a total fund balance of \$4,685,930. Unassigned fund balance represents 54 percent of expenditures. This is one measurement of the General Fund's liquidity. The fund balance of the General Fund increased by \$1,317,073. This is the result of the upswing in the local economy as a result of the oil and gas industry within in the County. These significant increases have been realized by the County for the third year in a row adding to the total fund balance of the General Fund.

The Job and Family Services Special Revenue Fund balance increased by \$3,403. This minimal change shows the County's success in keeping expenditures in line with current revenue streams.

The Motor Vehicle and Gasoline Tax Special Revenue Fund balance increased by \$72,926 from 2013. This increase is primarily the result of an increase in shared revenues and a decrease in operating expenditures used in road and bridge maintenance.

The County Building Capital Projects Fund balance decreased by \$25,149. This fund, used only temporarily for the construction of the County facilities building, incurred additional payables at the end of 2014 which resulted in a deficit balance. The General Fund will provide transfers to this fund as cash is needed since the entire amount of the bond proceeds are spent.

*Proprietary Fund* - The County maintains one type of proprietary fund – enterprise. Enterprise funds are used to report functions presented as business-type activities on the government-wide financial statements. The County uses an enterprise fund to account for the Sewer Fund activities. As of December 31, 2014, the net position for the County's enterprise fund was \$7,017,770. Of that total, \$424,485 represents unrestricted net position that is available for spending at the County's discretion.

**Noble County, Ohio**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2014  
Unaudited**

**General Fund Budgeting Highlights**

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

During the course of 2014 the County's original budget was amended several times but not significant in total.

For the General Fund, final budgeted revenue estimates were \$2,204,102 lower than actual results. This was due to the effect of oil and gas leases throughout the County and the sales taxes relating from this activity.

The County's General Fund ending unobligated cash balance was \$2,915,166 above the final budgeted amounts primarily due to conservative estimates for sales taxes and direct charges to users for services.

**Capital Assets and Debt Administration**

**Capital Assets**

The County's capital assets for governmental and business-type activities as of December 31, 2014, were \$34,364,792 (net of accumulated depreciation). This includes land, construction in progress, buildings and improvements, machinery, equipment, furniture and fixtures, vehicles, and infrastructure. Table 4 shows fiscal year 2014 balances compared to 2013 after accumulated depreciation of \$11,378,361 and \$10,724,907, respectively:

Table 4  
Capital Assets  
(Net of Depreciation)

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
Land	\$794,086	\$794,086	\$17,500	\$12,500	\$811,586	\$806,586
Construction in Progress	0	0	0	577,717	0	577,717
Gravel Roads/Bases	12,530,356	12,530,356	0	0	12,530,356	12,530,356
Buildings and Improvements	4,895,628	3,013,684	0	0	4,895,628	3,013,684
Machinery, Equipment, Furniture and Fixtures	1,041,855	896,361	0	0	1,041,855	896,361
Vehicles	375,144	262,626	0	0	375,144	262,626
Infrastructure	7,325,221	6,677,677	7,385,002	4,997,317	14,710,223	11,674,994
<b>Total Capital Assets</b>	<b>\$26,962,290</b>	<b>\$24,174,790</b>	<b>\$7,402,502</b>	<b>\$5,587,534</b>	<b>\$34,364,792</b>	<b>\$29,762,324</b>

For governmental activities, major capital asset additions during 2014 included work on the County's roads and bridges and the new county facilities building. For business-type activities, the net increase in book value amounts from the prior year results from current year capitalizations exceeding depreciation. See Note 10 for more detailed information on the County's capital assets.

**Noble County, Ohio**

**Management's Discussion and Analysis  
For the Year Ended December 31, 2014  
Unaudited**

**Debt**

At December 31, 2014, the County had \$2,663,130 in outstanding long-term debt with \$225,064 due within one year. Table 5 outlines the long-term debt held by the County during 2014 and 2013.

Table 5  
Long-Term Debt

	Governmental Activities		Business-Type Activities		Total	
	2014	2013	2014	2013	2014	2013
General Obligation Bonds	\$1,800,000	\$200,000	\$0	\$0	\$1,800,000	\$200,000
Capital Leases	53,913	8,318	0	0	53,913	8,318
OWDA Loans	0	0	809,217	220,142	809,217	220,142
<b>Total Long-Term Debt</b>	<b>\$1,853,913</b>	<b>\$208,318</b>	<b>\$809,217</b>	<b>\$220,142</b>	<b>\$2,663,130</b>	<b>\$428,460</b>

The 1996 Jail Construction Bonds were originally issued in the amount of \$2,000,000 for the purpose of constructing a jail facility. The debt is being retired through the Jail Bond Retirement Debt Service Fund by a levy passed in May, 1996. The 2014 County Services Facilities Bonds were originally issued in the amount of \$1,700,000 for the purpose of constructing a county facilities building. The debt is being retired through the Bond Retirement Debt Service Fund with transfers from the General Fund. The capital leases were issued during 2012 and 2014 in the amounts of \$14,370, and \$72,000, respectively for the purchase of equipment to be used for emergency management and road and bridge purposes. The OWDA Loans were issued during 2009 through 2014 for the purpose of planning, designing, and construction of sanitary sewer lines. See Note 17 for more detailed information on the County's debt. In addition to the above debt, the County is presenting a long-term liability for compensated absences.

**Contacting the County's Financial Management**

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

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**Noble County, Ohio**  
**Statement of Net Position**  
**December 31, 2014**

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$10,216,090	\$131,975	\$10,348,065
Materials and Supplies Inventory	164,343	0	164,343
Accounts Receivable	9,373	116,427	125,800
Internal Balance	9,162	(9,162)	0
Prepaid Items	109,885	0	109,885
Sales Taxes Receivable	645,769	0	645,769
Property Taxes Receivable	2,577,391	0	2,577,391
Intergovernmental Receivable	2,907,553	196,403	3,103,956
Non-Depreciable Capital Assets	13,324,442	17,500	13,341,942
Depreciable Capital Assets, Net	13,637,848	7,385,002	21,022,850
<i>Total Assets</i>	<u>43,601,856</u>	<u>7,838,145</u>	<u>51,440,001</u>
<b>Liabilities</b>			
Accrued Wages and Benefits	179,881	1,097	180,978
Intergovernmental Payable	176,882	7,635	184,517
Accounts Payable	156,823	1,755	158,578
Contracts Payable	581,492	0	581,492
Retainage Payable	19,926	0	19,926
Accrued Interest Payable	21,266	0	21,266
Unearned Revenue	20,099	0	20,099
Long-Term Liabilities:			
Due Within One Year	383,982	12,349	396,331
Due In More Than One Year	2,062,185	797,539	2,859,724
<i>Total Liabilities</i>	<u>3,602,536</u>	<u>820,375</u>	<u>4,422,911</u>
<b>Deferred Inflows of Resources</b>			
Property Taxes not Levied to Finance Current Year Operations	2,304,591	0	2,304,591
<b>Net Position</b>			
Net Investment in Capital Assets	25,108,377	6,593,285	31,701,662
Restricted for:			
Debt Service	85,815	0	85,815
Public Assistance	154,338	0	154,338
Motor Vehicle Registration	2,412,205	0	2,412,205
Developmental Disabilities	996,510	0	996,510
Community Development	661,674	0	661,674
Real Estate Assessment	607,618	0	607,618
Court Corrections	401,902	0	401,902
Ambulance Services	915,460	0	915,460
Other Purposes	1,402,711	0	1,402,711
Unrestricted	4,948,119	424,485	5,372,604
<i>Total Net Position</i>	<u>\$37,694,729</u>	<u>\$7,017,770</u>	<u>\$44,712,499</u>

See accompanying notes to the basic financial statements

**Noble County, Ohio**  
**Statement of Activities**  
**For the Year Ended December 31, 2014**

	Program Revenues				Net (Expense) Revenue and Change in Net Position		
	Expenses	Charges for Services	Operating Grants, Contributions, and Interest	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>Governmental Activities:</b>							
General Government:							
Legislative and Executive	\$2,178,508	\$1,329,613	\$22,594	\$0	(\$826,301)	\$0	(\$826,301)
Judicial	553,514	174,673	15,328	0	(363,513)	0	(363,513)
Public Safety	1,719,822	482,092	282,812	0	(954,918)	0	(954,918)
Public Works	3,638,461	68,866	3,299,111	1,070,547	800,063	0	800,063
Health	1,083,945	35,158	280,504	0	(768,283)	0	(768,283)
Human Services	2,715,559	267,960	1,721,977	0	(725,622)	0	(725,622)
Economic Development and Assistance	256,162	0	356,737	0	100,575	0	100,575
Economic Development and Assistance - External Portion	280,404	0	28,167	0	(252,237)	0	(252,237)
Interest and Fiscal Charges	33,421	0	0	0	(33,421)	0	(33,421)
<i>Total Governmental Activities</i>	<u>12,459,796</u>	<u>2,358,362</u>	<u>6,007,230</u>	<u>1,070,547</u>	<u>(3,023,657)</u>	<u>0</u>	<u>(3,023,657)</u>
<b>Business-Type Activities:</b>							
Sewer	148,965	103,827	0	90,463	0	45,325	45,325
<i>Total Business-Type Activities</i>	<u>148,965</u>	<u>103,827</u>	<u>0</u>	<u>90,463</u>	<u>0</u>	<u>45,325</u>	<u>45,325</u>
<i>Total Primary Government</i>	<u>\$12,608,761</u>	<u>\$2,462,189</u>	<u>\$6,007,230</u>	<u>\$1,161,010</u>	<u>(3,023,657)</u>	<u>45,325</u>	<u>(2,978,332)</u>
<b>General Revenues</b>							
Property Taxes Levied for General Purposes					783,310	0	783,310
Property Taxes Levied for:							
Public Works					252,085	0	252,085
Health					775,788	0	775,788
Human Services					378,089	0	378,089
Sales Taxes Levied for General Purposes					2,686,028	0	2,686,028
Grants and Entitlements not Restricted to Specific Programs					518,205	0	518,205
Investment Earnings					53,574	0	53,574
Miscellaneous					363,428	148	363,576
<i>Total General Revenues</i>					<u>5,810,507</u>	<u>148</u>	<u>5,810,655</u>
<i>Change in Net Position</i>					2,786,850	45,473	2,832,323
Net Position Beginning of Year					<u>34,907,879</u>	<u>6,972,297</u>	<u>41,880,176</u>
<i>Net Position End of Year</i>					<u>\$37,694,729</u>	<u>\$7,017,770</u>	<u>\$44,712,499</u>

See accompanying notes to the basic financial statements

**Noble County, Ohio  
Balance Sheet  
Governmental Funds  
December 31, 2014**

	General	Job and Family Services	Motor Vehicle and Gasoline Tax	County Building	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>						
Equity in Pooled Cash and Cash Equivalents	\$4,173,130	\$158,440	\$962,498	\$572,966	\$4,251,601	\$10,118,635
Sales Tax Receivable	645,769	0	0	0	0	645,769
Materials and Supplies Inventory	33,009	900	125,722	0	4,712	164,343
Accounts Receivable	495	0	1,454	0	7,424	9,373
Intergovernmental Receivable	292,920	135,576	1,581,275	0	897,782	2,907,553
Interfund Receivable	122,622	133,085	0	0	0	255,707
Prepaid Items	18,052	11,916	2,702	0	77,215	109,885
Property Taxes Receivable	973,725	0	0	0	1,603,666	2,577,391
Restricted Cash and Cash Equivalents	97,455	0	0	0	0	97,455
<i>Total Assets</i>	<u>\$6,357,177</u>	<u>\$439,917</u>	<u>\$2,673,651</u>	<u>\$572,966</u>	<u>\$6,842,400</u>	<u>\$16,886,111</u>
<b>Liabilities and Fund Balances</b>						
<b>Liabilities</b>						
Accounts Payable	\$30,008	\$8,023	\$36,797	\$43,872	\$38,123	\$156,823
Accrued Wages Payable	70,773	35,790	51,011	0	22,307	179,881
Contracts Payable	22,505	0	0	538,080	20,907	581,492
Retainage Payable	0	0	0	16,163	3,763	19,926
Interfund Payable	0	47,511	13	0	199,021	246,545
Intergovernmental Payable	59,374	22,573	30,993	0	63,942	176,882
Unearned Revenue	0	0	0	0	20,099	20,099
<i>Total Liabilities</i>	<u>182,660</u>	<u>113,897</u>	<u>118,814</u>	<u>598,115</u>	<u>368,162</u>	<u>1,381,648</u>
<b>Deferred Inflows of Resources</b>						
Property Taxes not Levied to Finance Current Year Operations	873,582	0	0	0	1,431,009	2,304,591
Unavailable Revenue	615,005	257,224	1,059,258	0	988,550	2,920,037
<i>Total Deferred Inflows of Resources</i>	<u>1,488,587</u>	<u>257,224</u>	<u>1,059,258</u>	<u>0</u>	<u>2,419,559</u>	<u>5,224,628</u>
<b>Fund Balances</b>						
Nonspendable	148,516	12,816	128,424	0	81,927	371,683
Restricted	0	55,980	1,367,155	0	3,975,477	5,398,612
Committed	18,539	0	0	0	0	18,539
Assigned	2,364,575	0	0	0	0	2,364,575
Unassigned (Deficit)	2,154,300	0	0	(25,149)	(2,725)	2,126,426
<i>Total Fund Balances</i>	<u>4,685,930</u>	<u>68,796</u>	<u>1,495,579</u>	<u>(25,149)</u>	<u>4,054,679</u>	<u>10,279,835</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$6,357,177</u>	<u>\$439,917</u>	<u>\$2,673,651</u>	<u>\$572,966</u>	<u>\$6,842,400</u>	

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

Capital assets used in governmental activities are not financial resources and, therefore are not reported in the funds. 26,962,290

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

Property Taxes Receivable	272,800	
Sales Tax Receivable	266,264	
Accounts Receivable	201,888	
Intergovernmental Receivables	2,179,085	
Total Other Long-Term Assets		2,920,037

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

General Obligation Bonds	(1,800,000)	
Compensated Absences	(592,254)	
Capital Leases Payable	(53,913)	
Accrued Interest Payable	(21,266)	
Total Long-Term Liabilities		(2,467,433)

Net Position of Governmental Activities \$37,694,729

See accompanying notes to the basic financial statements

**Noble County, Ohio**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2014**

	General	Job and Family Services	Motor Vehicle and Gasoline Tax	County Building	Other Governmental Funds	Total Governmental Funds
<b>Revenues</b>						
Property Taxes	\$778,932	\$0	\$0	\$0	\$1,400,403	\$2,179,335
Sales Taxes	2,664,675	0	0	0	0	2,664,675
Charges for Services	1,328,446	302,166	0	0	677,343	2,307,955
Licenses and Permits	2,647	0	0	0	20	2,667
Fines and Forfeitures	54,153	0	11,376	0	17,649	83,178
Intergovernmental	544,103	1,303,857	3,278,080	0	1,647,659	6,773,699
Interest	53,574	0	5,084	0	222	58,880
Rent	10,651	0	0	0	50	10,701
Contributions and Donations	354	0	0	0	0	354
Other	150,070	52,784	82,926	0	74,464	360,244
<i>Total Revenues</i>	<u>5,587,605</u>	<u>1,658,807</u>	<u>3,377,466</u>	<u>0</u>	<u>3,817,810</u>	<u>14,441,688</u>
<b>Expenditures</b>						
Current:						
General Government:						
Legislative and Executive	1,932,748	0	0	0	268,088	2,200,836
Judicial	496,290	0	0	0	56,883	553,173
Public Safety	1,305,162	0	0	0	383,951	1,689,113
Public Works	0	0	3,282,671	0	59,320	3,341,991
Health	54,655	0	0	0	1,027,351	1,082,006
Human Services	164,287	1,674,033	0	0	856,817	2,695,137
Economic Development and Assistance	0	0	0	0	256,162	256,162
Capital Outlay	0	0	72,000	1,930,738	399,156	2,401,894
Intergovernmental	0	0	0	0	280,404	280,404
Debt Service:						
Principal Retirement	0	0	24,000	0	102,405	126,405
Interest and Fiscal Charges	0	0	0	0	13,224	13,224
<i>Total Expenditures</i>	<u>3,953,142</u>	<u>1,674,033</u>	<u>3,378,671</u>	<u>1,930,738</u>	<u>3,703,761</u>	<u>14,640,345</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>1,634,463</u>	<u>(15,226)</u>	<u>(1,205)</u>	<u>(1,930,738)</u>	<u>114,049</u>	<u>(198,657)</u>
<b>Other Financing Sources (Use)</b>						
Proceeds from the Sale of Capital Assets	4,550	0	2,131	0	0	6,681
General Obligation Bonds Issued	0	0	0	1,700,000	0	1,700,000
Inception of Capital Lease			72,000			72,000
Transfers In	0	18,629	0	205,589	97,722	321,940
Transfers Out	(321,940)	0	0	0	0	(321,940)
<i>Total Other Financing Sources (Use)</i>	<u>(317,390)</u>	<u>18,629</u>	<u>74,131</u>	<u>1,905,589</u>	<u>97,722</u>	<u>1,778,681</u>
<i>Net Change in Fund Balances</i>	1,317,073	3,403	72,926	(25,149)	211,771	1,580,024
Fund Balances at Beginning of Year	<u>3,368,857</u>	<u>65,393</u>	<u>1,422,653</u>	<u>0</u>	<u>3,842,908</u>	<u>8,699,811</u>
<i>Fund Balances (Deficit) at End of Year</i>	<u>\$4,685,930</u>	<u>\$68,796</u>	<u>\$1,495,579</u>	<u>(\$25,149)</u>	<u>\$4,054,679</u>	<u>\$10,279,835</u>

See accompanying notes to the basic financial statements

**Noble County, Ohio**  
**Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**of Governmental Funds to the Statement of Activities**  
**For the Year Ended December 31, 2014**

**Net Change in Fund Balances - Governmental Funds** \$1,580,024

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

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

Capital Asset Additions	2,847,492	
Capital Asset Additions - Capital Contributions	671,391	
Current Year Depreciation	<u>(710,865)</u>	
Total		2,808,018

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 proceeds and loss from the disposal of assets.

Proceeds from sale of capital assets	(6,681)	
Loss on disposal capital assets	<u>(13,837)</u>	
Total		(20,518)

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

Property Taxes	9,937	
Sales Taxes	21,353	
Charges for Services	(46,139)	
Miscellaneous	3,184	
Intergovernmental	<u>145,232</u>	
Total		133,567

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

General Obligation Bonds	100,000	
Capital Leases	<u>26,405</u>	
Total		126,405

Inception of a capital lease is reported as an other financing source in the governmental funds, but the inception increases long-term liabilities on the statement of net position. (72,000)

Long-term bond proceeds are other financing sources in the governmental funds, but the issuance increases the long-term liabilities on the statement of net position. (1,700,000)

Interest is reported as an expenditure when due in the governmental funds, but is accrued on outstanding debt on the statement of activities. (20,197)

Expenses reported in the statement of activities relating to compensated absences do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. (48,449)

**Change in Net Position of Governmental Activities** \$2,786,850

See accompanying notes to the basic financial statements

**Noble County, Ohio**  
**Statement of Revenues, Expenditures, and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**General Fund**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Property Taxes	\$752,000	\$752,000	\$777,744	\$25,744
Sales Taxes	1,100,000	1,100,000	2,680,024	1,580,024
Charges for Services	852,550	852,550	1,389,243	536,693
Licenses and Permits	2,760	2,760	2,647	(113)
Fines and Forfeitures	57,020	57,020	54,153	(2,867)
Intergovernmental	495,437	496,250	547,106	50,856
Interest	60,000	60,000	54,021	(5,979)
Rent	10,000	10,000	11,201	1,201
Contributions and Donations	0	0	666	666
Other	99,200	121,500	139,377	17,877
<i>Total Revenues</i>	<u>3,428,967</u>	<u>3,452,080</u>	<u>5,656,182</u>	<u>2,204,102</u>
<b>Expenditures</b>				
Current:				
General Government:				
Legislative and Executive	2,328,350	2,381,183	1,931,619	449,564
Judicial	610,513	610,513	511,613	98,900
Public Safety	1,381,941	1,381,941	1,323,188	58,753
Health	57,099	57,099	55,602	1,497
Human Services	168,905	168,905	162,353	6,552
<i>Total Expenditures</i>	<u>4,546,808</u>	<u>4,599,641</u>	<u>3,984,375</u>	<u>615,266</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>(1,117,841)</u>	<u>(1,147,561)</u>	<u>1,671,807</u>	<u>2,819,368</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from the Sale of Capital Assets	500	500	4,550	4,050
Advances In	0	0	126,240	126,240
Advances Out	(60,000)	(60,000)	(104,025)	(44,025)
Transfers In	0	50,000	0	(50,000)
Transfers Out	(379,589)	(381,473)	(321,940)	59,533
<i>Total Other Financing Sources (Uses)</i>	<u>(439,089)</u>	<u>(390,973)</u>	<u>(295,175)</u>	<u>95,798</u>
<i>Net Change in Fund Balance</i>	(1,556,930)	(1,538,534)	1,376,632	2,915,166
Fund Balance at Beginning of Year	2,716,928	2,716,928	2,716,928	0
Prior Year Encumbrances Appropriated	44,671	44,671	44,671	0
<i>Fund Balance at End of Year</i>	<u>\$1,204,669</u>	<u>\$1,223,065</u>	<u>\$4,138,231</u>	<u>\$2,915,166</u>

See accompanying notes to the basic financial statements

**Noble County, Ohio**  
**Statement of Revenues, Expenditures, and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Job and Family Services Fund**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Charges for Services	\$567,000	\$567,000	\$312,532	(\$254,468)
Intergovernmental	1,329,701	1,332,683	1,308,027	(24,656)
Other	<u>65,000</u>	<u>65,000</u>	<u>52,920</u>	<u>(12,080)</u>
<i>Total Revenues</i>	<u>1,961,701</u>	<u>1,964,683</u>	<u>1,673,479</u>	<u>(291,204)</u>
<b>Expenditures</b>				
Current:				
Human Services	<u>1,921,494</u>	<u>1,930,242</u>	<u>1,661,648</u>	<u>268,594</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>40,207</u>	<u>34,441</u>	<u>11,831</u>	<u>(22,610)</u>
<b>Other Financing Source (Use)</b>				
Transfers In	19,560	19,560	18,629	(931)
Advances Out	<u>(18,629)</u>	<u>(18,629)</u>	<u>0</u>	<u>18,629</u>
<i>Total Other Financing Source (Use)</i>	<u>931</u>	<u>931</u>	<u>18,629</u>	<u>17,698</u>
<i>Net Change in Fund Balance</i>	41,138	35,372	30,460	(4,912)
Fund Balance at Beginning of Year	109,533	109,533	109,533	0
Prior Year Encumbrances Appropriated	<u>18,447</u>	<u>18,447</u>	<u>18,447</u>	<u>0</u>
<i>Fund Balance at End of Year</i>	<u><u>\$169,118</u></u>	<u><u>\$163,352</u></u>	<u><u>\$158,440</u></u>	<u><u>(\$4,912)</u></u>

See accompanying notes to the basic financial statements

**Noble County, Ohio**  
**Statement of Revenues, Expenditures, and Changes**  
**In Fund Balance - Budget (Non-GAAP Basis) and Actual**  
**Motor Vehicle and Gasoline Tax Fund**  
**For the Year Ended December 31, 2014**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues</b>				
Fines and Forfeitures	\$12,000	\$12,000	\$11,376	(\$624)
Intergovernmental	3,192,500	3,192,500	3,263,214	70,714
Interest	7,000	7,000	5,242	(1,758)
Other	130,000	130,000	79,612	(50,388)
<i>Total Revenues</i>	<u>3,341,500</u>	<u>3,341,500</u>	<u>3,359,444</u>	<u>17,944</u>
<b>Expenditures</b>				
Current:				
Public Works	4,252,588	4,252,588	3,401,878	850,710
Debt Service:				
Principal Retirement	24,000	24,000	24,000	0
<i>Total Expenditures</i>	<u>4,276,588</u>	<u>4,276,588</u>	<u>3,425,878</u>	<u>850,710</u>
<i>Excess of Revenues Under Expenditures</i>	(935,088)	(935,088)	(66,434)	(832,766)
<b>Other Financing Source</b>				
Proceeds from Sale of Capital Assets	0	0	2,131	2,131
<i>Net Change in Fund Balance</i>	(935,088)	(935,088)	(64,303)	870,785
Fund Balance at Beginning of Year	895,237	895,237	895,237	0
Prior Year Encumbrances Appropriated	103,587	103,587	103,587	0
<i>Fund Balance at End of Year</i>	<u>\$63,736</u>	<u>\$63,736</u>	<u>\$934,521</u>	<u>\$870,785</u>

See accompanying notes to the basic financial statements

**Noble County, Ohio**  
**Statement of Fund Net Position**  
**Proprietary Fund**  
**December 31, 2014**

	Business-Type Activity Sewer
<b>Assets</b>	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$131,975
Accounts Receivable	116,427
Intergovernmental Receivable	196,403
Interfund Receivable	13
<i>Total Current Assets</i>	444,818
Noncurrent Assets:	
Non-Depreciable Capital Assets	17,500
Depreciable Capital Assets, Net	7,385,002
<i>Total Noncurrent Assets</i>	7,402,502
<i>Total Assets</i>	7,847,320
<b>Liabilities</b>	
Current Liabilities:	
Accrued Wages and Benefits	1,097
Compensated Absences Payable	132
Intergovernmental Payable	7,635
Interfund Payable	9,175
Accounts Payable	1,755
OWDA Loans Payable	12,217
<i>Total Current Liabilities</i>	32,011
Long-Term Liabilities (Net of Current Portion):	
Compensated Absences Payable	539
OWDA Loans Payable	797,000
<i>Total Noncurrent Liabilities</i>	797,539
<i>Total Liabilities</i>	829,550
<b>Net Position</b>	
Net Investment in Capital Assets	6,593,285
Unrestricted	424,485
<i>Total Net Position</i>	\$7,017,770

See accompanying notes to the basic financial statements

**Noble County, Ohio**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Fund**  
**For the Year Ended December 31, 2014**

	Business-Type Activity Sewer
<b>Operating Revenues</b>	
Charges for Services	\$103,827
Other	148
<i>Total Operating Revenues</i>	103,975
<b>Operating Expenses</b>	
Personal Services	24,938
Materials and Supplies	8,411
Depreciation	115,616
<i>Total Operating Expenses</i>	148,965
<i>Operating Loss before Contributions</i>	(44,990)
Capital Contributions from Customers	90,463
<i>Change in Net Position</i>	45,473
Net Position Beginning of Year	6,972,297
<i>Net Position End of Year</i>	\$7,017,770

See accompanying notes to the basic financial statements

**Noble County, Ohio  
Statement of Cash Flows  
Proprietary Fund  
For the Year Ended December 31, 2014**

	Business-Type Activity
	Sewer
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	
<b>Cash Flows from Operating Activities</b>	
Cash Received from Customers	\$109,343
Cash Received from Other Operating Sources	148
Cash Payments for Employee Services and Benefits	(25,597)
Cash Payments for Goods and Services	(8,284)
<i>Net Cash Provided by Operating Activities</i>	75,610
<b>Cash Flows from Noncapital Financing Activities</b>	
Advances In	9,175
Advances Out	(8,590)
<i>Net Cash Provided by Noncapital Financing Activity</i>	585
<b>Cash Flows from Capital and Related Financing Activities</b>	
Tap In Fees	36,515
Proceeds from OWDA Loans	1,558,828
Capital Contributions from Grants	1,476,243
Payments for Capital Acquisitions	(2,162,738)
Principal Paid on OWDA Loans	(969,753)
<i>Net Cash Used for Capital and Related Financing Activities</i>	(60,905)
<i>Net Increase in Cash and Cash Equivalents</i>	15,290
Cash and Cash Equivalents Beginning of Year	116,685
<i>Cash and Cash Equivalents End of Year</i>	\$131,975
<b>Reconciliation of Operating Loss to Net Cash Provided by Operating Activities</b>	
Operating Loss	(\$44,990)
Adjustment:	
Depreciation	115,616
Changes in Assets and Liabilities:	
Increase in Accounts Receivable	5,488
Decrease in Interfund Receivable	28
Decrease in Prepaid Items	286
Increase in Accounts Payable	541
Increase in Compensated Absences Payable	29
Decrease in Accrued Wages and Benefits	(183)
Decrease in Intergovernmental Payable	(1,205)
<i>Net Cash Provided by Operating Activities</i>	\$75,610

See accompanying notes to the basic financial statements

**Noble County, Ohio**  
**Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**December 31, 2014**

<b>Assets</b>	
Equity in Pooled Cash and Cash Equivalents	\$2,616,169
Cash and Cash Equivalents in Segregated Accounts	142,577
Accounts Receivable	93,715
Property Taxes Receivable	10,715,127
Intergovernmental Receivable	1,443,242
Lodging Taxes Receivable	<u>31,175</u>
<i>Total Assets</i>	<u><u>\$15,042,005</u></u>
 <b>Liabilities</b>	
Intergovernmental Payable	\$12,981,146
Deposits Held and Due to Others	112,746
Undistributed Monies	<u>1,948,113</u>
<i>Total Liabilities</i>	<u><u>\$15,042,005</u></u>

See accompanying notes to the basic financial statements

## Noble County, Ohio

### Notes to the Basic Financial Statements For the Year Ended December 31, 2014

#### NOTE 1 – DESCRIPTION OF NOBLE COUNTY AND REPORTING ENTITY

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

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

#### Reporting Entity

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

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

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

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

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

## Noble County, Ohio

### Notes to the Basic Financial Statements For the Year Ended December 31, 2014

As the custodian of public funds, the County Treasurer invests all public monies held on deposit in the County treasury. In the case of the separate agencies, boards and commissions listed below, the County serves as fiscal agent, but is not financially accountable for their operations. Accordingly, the activity of the following districts and agencies are presented as agency funds within the County's financial statements.

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

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

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

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

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

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

## Noble County, Ohio

### Notes to the Basic Financial Statements For the Year Ended December 31, 2014

#### NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

##### *A. Basis of Presentation*

The County's basic financial statements consist of government-wide statements, including a Statement of Net 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 County as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the County that are governmental and those that are considered business-type activities.

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

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

##### *B. Fund Accounting*

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

## Noble County, Ohio

### Notes to the Basic Financial Statements For the Year Ended December 31, 2014

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

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

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

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

**County Building Fund** To account for bond proceeds and transfers from the General Fund restricted to capital outlay expenditures in the construction of a multi-use County building.

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

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

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

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

**Fiduciary Funds** Fiduciary fund reporting focuses on net position and changes in net position. The fiduciary fund category is split into four classifications: pension trust funds, investment trust funds, private-purpose trust funds, and agency funds. Trust funds are used to account for assets held by the County under a trust agreement for individuals, private organizations, or other governments and are therefore not available to support the County's own programs. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

The County's fiduciary funds are all classified as agency funds. The agency funds account for assets held by the County as agent for the Noble County Health Department and other districts and entities and for various taxes, assessments, and state shared resources collected on behalf of and distributed to other local governments.

## Noble County, Ohio

### Notes to the Basic Financial Statements For the Year Ended December 31, 2014

#### *C. Measurement Focus*

***Government-wide Financial Statements*** The government-wide financial statements are prepared using the economic resources measurement focus. All assets and deferred outflows of resources and all liabilities and deferred inflows of resources associated with the operation of the County are included on the Statement of Net Position. The Statement of Activities presents increases (e.g., revenues) and decreases (e.g., 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 deferred outflows of resources and current liabilities and deferred inflows of resources generally are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

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

#### *D. Basis of Accounting*

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Proprietary and fiduciary funds also use the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Differences in the accrual and the modified accrual basis of accounting arise in the recognition of revenue, in 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 year in which the resources are measurable and become available. Available means that the resources will be collected within the current year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current year. For the County, available means expected to be received within sixty days of year-end.

## Noble County, Ohio

### Notes to the Basic Financial Statements For the Year Ended December 31, 2014

Nonexchange transactions, in which the County receives value without directly giving equal value in return, include sales taxes, property taxes, grants, entitlements, and donations. On an accrual basis, revenue from sales taxes is recognized in the period in which the taxable sale occurs. Revenue from property taxes is recognized in the year for which the taxes are levied (see Note 6). Revenue from grants, entitlements, and donations is recognized in the year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are required to be used or the year when use is first permitted, matching requirements, in which the County must provide local resources to be used for a specified purpose, and expenditure requirements, in which the resources are provided to the County on a reimbursement basis. On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized.

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

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.

***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, represents a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statements of financial position report a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. For the County, deferred inflows of resources include property taxes and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of December 31, 2014, but which were levied to finance fiscal year 2015 operations. These amounts have been recorded as a deferred inflow on both the government-wide Statement of Net Position and the governmental fund financial statements. Unavailable revenue is reported only on the governmental funds Balance Sheet, and represents receivables which will not be collected within the available period. For the County unavailable revenue includes delinquent property taxes, permissive sales taxes, interest, intergovernmental grants, and miscellaneous accounts receivable. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available.

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

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

## Noble County, Ohio

### Notes to the Basic Financial Statements For the Year Ended December 31, 2014

#### *E. Budgetary Process*

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

The certificate of estimated resources may be amended during the year if projected increases or decreases in revenue are identified by the County Auditor. 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 final amended certificate of estimated resources approved.

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

#### *F. Cash, Cash Equivalents, and Investments*

Cash balances of the County's funds, except cash held by a trustee, fiscal agent, or held in segregated accounts, are pooled and invested in short-term investments in order to provide improved cash management. During 2014, investments were limited to non-negotiable certificates of deposit. Nonparticipating investment contracts such as repurchase agreements and non-negotiable certificates of deposit are reported at cost or amortized cost. Investments of the cash management pool and investments with original maturities of three months or less at the time they are purchased by the County are presented on the financial statements as cash equivalents. Investments with an initial maturity of more than three months not purchased from the pool are reported as investments.

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

Under existing Ohio statutes all investment earnings are assigned to the General Fund unless statutorily required to be credited to a specific fund. Interest revenue credited to the General Fund during 2014 amounted to \$53,574 which includes \$37,272, assigned from other County funds.

#### *G. Restricted Assets*

The governmental Balance Sheet is showing restricted cash and cash equivalents for unclaimed monies not available for appropriation.

**Noble County, Ohio**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014**

***H. Inventory of Supplies***

Inventories are presented at cost on a first-in, first-out basis and are expended/expensed when used.

***I. Receivables and Payables***

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

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

***J. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond December 31, 2014, are recorded as prepaid items using the consumption method by recording a current asset for the prepaid amount and reflecting the expenditure/expense in the year in which services are consumed.

***K. Capital Assets***

General capital assets are those assets not specifically related to activities reported in the proprietary funds. These assets generally result from expenditures in the governmental funds. These assets are reported in the governmental activities column of the government-wide Statement of Net Position but are not reported in the fund financial statements. Capital assets utilized by enterprise funds are reported both in the business-type activities column of the government-wide Statement of Net Position and in the funds.

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

Noble County, Ohio

Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014

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

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

The County’s infrastructure consists of roads, bridges, and sewer lines and includes infrastructure acquired prior to 1980.

**L. Interfund Balances**

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

**M. Compensated Absences**

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

The entire compensated absences liability is reported on the government-wide financial statements. On governmental fund financial statements, compensated absences are recognized as a liability and expenditure to the extent payments come due each period upon the occurrence of employee resignations and retirements. These amounts are recorded in the account “Matured Compensated Absences Payable” in the fund from which the employees who have accumulated leave are paid. At December 31, 2014, the County had no amounts that met the definition of Matured Compensated Absences Payable. The non-current portion of the liability is not reported. For enterprise funds, the entire amount of compensated absences is reported as a fund liability.

Noble County, Ohio

Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014

***N. Accrued Liabilities and Long-term Obligations***

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

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

***O. Capital Contributions***

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

***P. Fund Balance***

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

***Nonspendable*** The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact. The “not in spendable form” includes items that are not expected to be converted to cash. It also includes the long-term amount of loans receivable, prepaids, as well as inventory, unless the use of the proceeds from the collection of those receivables, or from the use of the prepaids and inventory, is restricted, committed, or assigned.

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

***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the County Commissioners. Those committed amounts cannot be used for any other purpose unless the County Commissioners 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 use in satisfying those contractual requirements.

## Noble County, Ohio

### Notes to the Basic Financial Statements For the Year Ended December 31, 2014

**Assigned** Amounts in the assigned fund balance classification are intended to be used by the County for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. These amounts are assigned by the County Commissioners. In the General Fund, assigned amounts represent intended uses established by the County Commissioners or a County official delegated that authority by resolution or by State Statute. State Statute authorizes the County Auditor to assign fund balance for purchases on order provided such amounts have been lawfully appropriated. The County Commissioners assigned fund balance to cover a gap between estimated revenue and appropriations in 2015's appropriated budget.

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

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

#### ***Q. 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 borrowing used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the County or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net position restricted for other purposes primarily include the net position relating to activity associated with child support enforcement, delinquent tax and collection, 911, and senior center services. The County applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net positions are available.

#### ***R. Internal Activity***

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

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

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

**Noble County, Ohio**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014**

***S. Extraordinary and Special Items***

Extraordinary items are transactions or events that are both unusual in nature and infrequent in occurrence. Special items are transactions or events that are within the control of the County and that are either unusual in nature or infrequent in occurrence. Neither type of transaction occurred during 2014.

***T. Operating Revenues and Expenses***

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

***U. Estimates***

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

**NOTE 3 – BUDGETARY BASIS OF ACCOUNTING**

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

The Statements of Revenues, Expenditures, and Changes in Fund Balance - Budget (Non-GAAP Basis) and Actual for the General Fund and each major special revenue fund are presented on the budgetary basis to provide a meaningful comparison of actual results with the budget. The major differences between the budget basis and the GAAP basis are as follows:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Outstanding year-end encumbrances are treated as expenditures (budget basis) rather than restricted, committed, or assigned fund balance (GAAP basis).
4. Unrecorded cash, unrecorded interest, and prepaid items are reported on the Balance Sheet (GAAP basis), but not on the budgetary basis.
5. Cash that is held by the agency funds on behalf of County funds on a budget basis are allocated and reported on the Balance Sheet (GAAP basis) in the appropriate County fund.
6. Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

**Noble County, Ohio**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014**

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

	<u>General</u>	<u>Job and Family Services</u>	<u>Motor Vehicle and Gasoline Tax</u>
GAAP Basis	\$1,317,073	\$3,403	\$72,926
Net Adjustment for Revenue Accruals	61,129	10,440	(90,180)
Beginning of the Year:			
Unrecorded Cash	70,607	0	534
Agency Fund Cash Allocation	17,831	4,232	0
Prepaid Items	22,003	10,520	3,375
End of the Year:			
Unrecorded Cash	(61,971)	0	(376)
Agency Fund Cash Allocation	(19,019)	0	0
Prepaid Items	(18,052)	(11,916)	(2,702)
Net Adjustment for Expenditure Accruals	16,180	13,781	(20,279)
Advances In	126,240	0	0
Advances Out	(104,025)	0	0
Encumbrances	<u>(51,364)</u>	<u>0</u>	<u>(27,601)</u>
Budget Basis	<u>\$1,376,632</u>	<u>\$30,460</u>	<u>(\$64,303)</u>

**NOTE 4 - ACCOUNTABILITY**

The following funds had deficit fund balances as of December 31, 2014. These deficits are due to the recognition of payables in accordance with generally accepted accounting principles. The General Fund provides operating transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

<u>Fund Type/Fund</u>	<u>Deficit</u>
Law Library Resources Special Revenue Fund	\$1,735
County Building Capital Projects Fund	25,149

## Noble County, Ohio

### Notes to the Basic Financial Statements For the Year Ended December 31, 2014

#### NOTE 5 – DEPOSITS AND INVESTMENTS

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

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

Protection of the County's deposits is provided by the Federal Deposit Insurance Corporation (FDIC), by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Monies held by the County, which are not considered active, are classified as inactive. Inactive monies may be deposited or invested in the following securities provided a written investment policy has been filed with the Ohio Auditor of State:

1. United States Treasury Bills, Notes, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States, or any book entry, zero-coupon United States treasury security that is a direct obligation of the United States;
2. Bonds, notes, debentures, or any other obligations or securities entered into by any federal government agency or instrumentality, including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio or its political subdivisions, provided that such political subdivision are located wholly or partly within the County;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in (1) or (2) above, and repurchase agreements secured by such obligations, provided that these investments are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);
8. Securities lending agreements in which the County lends securities and the eligible institution agrees to simultaneously exchange similar securities or cash, equal value for equal value;

## Noble County, Ohio

### Notes to the Basic Financial Statements For the Year Ended December 31, 2014

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

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

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

**Deposits** Custodial credit risk for deposits is the risk that in the event of bank failure, the County will not be able to recover deposits or collateral securities that are in the possession of an outside party. At year end, \$12,522,562 of the County's bank balance of \$13,573,646 was exposed to custodial credit risk because it was uninsured and uncollateralized. Although all statutory requirements for the deposit of money had been followed, non-compliance with federal requirements could potentially subject the County to a successful claim by FDIC.

Noble County, Ohio

Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014

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

**Investments** As of December 31, 2014, the County had no investments which were part of an internal investment pool.

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

**NOTE 6 – PROPERTY TAXES**

Property taxes include amounts levied against all real and public utility property located in the County. Property tax revenue received during 2014 for real and public utility property taxes represents collections of 2013 taxes.

2014 real property taxes were levied after October 1, 2014, on the assessed value as of January 1, 2014, the lien date. Assessed values are established by State law at 35 percent of appraised market value. 2014 real property taxes are collected in and intended to finance 2015.

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

Public utility tangible personal property currently is assessed at varying percentages of true value; public utility real property is assessed at 35 percent of true value. 2014 public utility property taxes which became a lien December 31, 2013, were levied after October 1, 2014, and are collected in 2015 with real property taxes.

The full tax rate for all County operations for the year ended December 31, 2014, was \$9.95 per \$1,000 of assessed value. The assessed values of real and tangible personal property upon which 2014 property tax receipts were based are as follows:

Real Property	\$205,427,750
Public Utility Personal Property	71,312,680
Total Assessed Value	<u><u>\$276,740,430</u></u>

## Noble County, Ohio

### Notes to the Basic Financial Statements For the Year Ended December 31, 2014

The County Treasurer collects property taxes on behalf of all taxing districts in the County. The County Auditor periodically remits to the taxing districts their portion of the taxes collected. The collection and distribution of taxes for all subdivisions within the County, excluding the County itself, is accounted for through agency funds. The amount of the County's tax collections is accounted for within the applicable funds. Property taxes receivable represents real and public utility taxes and outstanding delinquencies which are measurable as of December 31, 2014, and for which there is an enforceable legal claim. In the governmental funds, the portion of the receivable not levied to finance 2014 operations is offset to deferred inflows of resources - property taxes. On the accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue while on the modified accrual basis the revenue has been reported as deferred inflows of resources - unavailable revenue.

#### **NOTE 7 – PERMISSIVE SALES AND USE TAX**

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

#### **NOTE 8 - RECEIVABLES**

Receivables at December 31, 2014, consisted of taxes, interfund, sales taxes, accounts (billings for user charged services, including unbilled utility services), and intergovernmental receivables arising from grants, entitlements and shared revenues. A summary of the principal items of intergovernmental receivables follows:

Noble County, Ohio

Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014

<u>Governmental Activities</u>	<u>Amount</u>
Property Tax Allocations	\$116,061
Casino Tax	84,624
Local Government Subsidies	128,415
Developmental Disabilities Grants and Subsidies	104,368
MVL Distribution	419,561
Gasoline Excise Tax	1,159,520
Community Development Block Grants	628,619
Sheriff Subsidy	1,790
Pre-Sentence Investigation Grant	4,500
Emergency Management	22,935
Subsidy Grants and Allocations	10,176
State Victims Assistance	18,891
Cost Allocation	9,998
Public Assistance Grants and Subsidies	132,430
Child Support Enforcement Grants and Subsidies	33,610
Miscellaneous Intergovernmental Receivables	32,055
Total Governmental Activities	<u>2,907,553</u>
<u>Business-Type Activities</u>	
Sewer Grants	196,403
Total Intergovernmental Receivables	<u>#####</u>

Delinquent accounts receivable may be certified and collected as a special assessment, subject to foreclosure for non-payment. Management believes all other receivables are fully collectible within one year except for property taxes. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. Delinquent property taxes deemed collectible by the County Auditor are recorded as a receivable, in the amount of \$272,800, may not be collected within one year.

**NOTE 9 – FEDERAL FOOD STAMP PROGRAM**

The County's Department of Job and Family Services distributed through contracting issuance centers, federal food stamps to entitled recipients within Noble County. The receipt and issuance of these stamps have the characteristics of federal "grants"; however, the Department of Job and Family Services merely acts in an intermediary capacity. Therefore, the inventory value of these stamps is not reflected in the accompanying financial statements as the only economic interest related to these stamps rests with the ultimate recipient. The County's Department of Job and Family Services had no federal food stamps at December 31, 2014.

**Noble County, Ohio**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014**

**NOTE 10 – CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2014, was as follows:

	<u>Balance 12/31/2013</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance 12/31/2014</u>
<b>Governmental Activities</b>				
Non-Depreciable Capital Assets:				
Land	\$794,086	\$0	\$0	\$794,086
Gravel Roads/Bases	12,530,356	0	0	12,530,356
Total Non-Depreciable Capital Assets	<u>13,324,442</u>	<u>0</u>	<u>0</u>	<u>13,324,442</u>
Depreciable Capital Assets:				
Buildings and Improvements	4,719,669	1,966,449	0	6,686,118
Machinery, Equipment, Furniture and Fixtures	2,767,068	276,856	(85,877)	2,958,047
Vehicles	1,230,385	159,559	(37,830)	1,352,114
Infrastructure	12,512,347	1,116,019	(69,838)	13,558,528
Total Depreciable Capital Assets	<u>21,229,469</u>	<u>3,518,883</u>	<u>(193,545)</u>	<u>24,554,807</u>
Less Accumulated Depreciation:				
Buildings and Improvements	(1,705,985)	(84,505)	0	(1,790,490)
Machinery, Equipment, Furniture and Fixtures	(1,870,707)	(110,844)	65,359	(1,916,192)
Vehicles	(967,759)	(47,041)	37,830	(976,970)
Infrastructure	(5,834,670)	(468,475)	69,838	(6,233,307)
Total Accumulated Depreciation	<u>(10,379,121)</u>	<u>(710,865)*</u>	<u>173,027</u>	<u>(10,916,959)</u>
Total Depreciable Capital Assets, Net	<u>10,850,348</u>	<u>2,808,018</u>	<u>(20,518)</u>	<u>13,637,848</u>
Governmental Capital Assets, Net	<u>\$24,174,790</u>	<u>\$2,808,018</u>	<u>(\$20,518)</u>	<u>\$26,962,290</u>

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

**Governmental Activities**

General Government:

Legislative and Executive	\$29,361
Judicial	2,212
Public Safety	75,115
Public Works	601,713
Human Services	2,464
Total Depreciation Expense	<u>\$710,865</u>

## Noble County, Ohio

### Notes to the Basic Financial Statements For the Year Ended December 31, 2014

	Balance 12/31/2013	Additions	Reductions	Balance 12/31/2014
<b>Business-Type Activities</b>				
Non-Depreciable Capital Assets:				
Land	\$12,500	\$5,000	\$0	\$17,500
Construction in Progress	577,717	1,925,584	(2,503,301)	0
Total Non-Depreciable Assets	<u>590,217</u>	<u>1,930,584</u>	<u>(2,503,301)</u>	<u>17,500</u>
Depreciable Capital Assets:				
Infrastructure	5,343,103	2,503,301	0	7,846,404
Less Accumulated Depreciation:				
Infrastructure	(345,786)	(115,616)	0	(461,402)
Total Depreciable Capital Assets, Net	<u>4,997,317</u>	<u>2,387,685</u>	<u>0</u>	<u>7,385,002</u>
Governmental Capital Assets, Net	<u>\$5,587,534</u>	<u>\$4,318,269</u>	<u>(\$2,503,301)</u>	<u>\$7,402,502</u>

#### NOTE 11 – RISK MANAGEMENT

The County is exposed to various risks of loss related to torts; theft, damage to or destruction of assets; errors and omissions; employee injuries, and natural disasters. During 2014 the County contracted with the Buckeye Joint-County Self-Insurance Council (a public entity risk pool - See Note 20) for liability, auto, and crime insurance. This organization is a cost-sharing pool. Coverage provided by the program is as follows:

Basic Contribution	Coverage Limits/Aggregate	Deductible
Blanket Buildings and Personal Property	\$17,711,453	\$1,000/\$10,000
Legal Liability Real Property	1,000,000	1,000
Business Income with Extra Expense	1,000,000	1,000
Boiler and Machinery	17,711,453	1,000/10,000
Inland Marine	2,019,309	1,000
Electronic Equipment Limit	500,000	1,000
Electronic Media and Extra Expense Limit	5,000	1,000
General Liability	2,000,000	0
Personal and Advertising Injury	2,000,000	0
Each Electronic Data Incident	50,000	0
General Aggregate	4,000,000	0
Medical Expense Limit – Per Person	10,000	0
Medical Expense Limit Annual Aggregate	50,000	0
Employers Liability - Ohio Stop Gap	2,000,000	0
Employees Benefits Liability	2,000,000/4,000,000	0
Public Official Liability	2,000,000/4,000,000	5,000
Law Enforcement Liability	2,000,000/4,000,000	5,000
Theft, Disappearance and Destruction	50,000	0
Public Employee Dishonesty	250,000	0
Forgery and Alteration	5,000	0
Computer Fraud	50,000	100
Funds Transfer Fraud	5,000	0
Animal Mortality	\$10,000	0
Arson Reward	5,000	0
Cemetery Structures	\$10,000	\$0

## Noble County, Ohio

### Notes to the Basic Financial Statements For the Year Ended December 31, 2014

Fire Department Service Charge	1,000	0
Lock Re-Keying	2,500	0
Outdoor Property	100,000	0
Personal Effects	2,500	0
Pollution Clean Up and Removal	100,000	0
Property Off Premises	10,000	0
Accounts Receivable	250,000	0
Builder Risk	500,000	0
Fine Arts	25,000	0
Fire Protection Devices	5,000	0
Ground Maintenance Equipment	50,000	0
Newly Acquired or Constructed Buildings	2,000,000	0
Newly Acquired Personal Property	1,000,000	0
Paved Surfaces	50,000	0
Underground Pipes, Flues or Drains	1,000,000	0
Unnamed Locations	250,000	0
Valuable Papers and Records	250,000	0
Utility Services	25,000	0
Property in Transit	100,000	0
Auto Liability	1,000,000	0
Auto Medical Payments	10,000	0

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

For 2014, the County participated in the County Commissioners Association of Ohio Workers' Compensation Group Rating Plan (Plan), an insurance purchasing pool (See Note 20). The Plan is intended to achieve lower workers' compensation rates while establishing safer working conditions and environments for the participants. The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all participants in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate.

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

The County pays all elected official bonds by state statute.

## Noble County, Ohio

### Notes to the Basic Financial Statements For the Year Ended December 31, 2014

#### NOTE 12 – DEFINED BENEFIT PENSION PLANS

Plan Description - The County participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The Traditional Plan is a cost-sharing, multiple-employer defined benefit pension plan. The Member-Directed Plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the Member Directed Plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings. The Combined Plan is a cost-sharing, multiple-employer defined benefit pension plan. Under the Combined Plan, OPERS invests employer contributions to provide a formula retirement benefit similar in nature to, but less than, the Traditional Pension Plan benefit. Member contributions, the investment of which is self-directed by the members, accumulate retirement assets in a manner similar to the Member-Directed Plan.

OPERS provides retirement, disability, survivor and death benefits, and annual cost of living adjustments to members of the Traditional and Combined Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

Funding Policy - The Ohio Revised Code provides statutory authority for member and employer contributions and currently limits the employer contribution to a rate not to exceed 14 percent of covered payroll for state and local employer units and 18.1 percent of covered payroll for law enforcement and public safety employer units. Member contribution rates, as set forth in the Ohio Revised Code, are not to exceed 10 percent of covered payroll for members in state and local classifications. The Ohio Revised Code authorizes OPERS to calculate employee contribution rates for public safety employees and limits the law enforcement rate to the public safety rate plus an additional percentage not to exceed two percent. For the year ended December 31, 2014, members in state and local divisions contributed 10 percent of covered payroll while public safety and law enforcement members contributed 12 percent and 13 percent, respectively. While members in the state and local divisions may participate in all three plans, law enforcement and public safety classifications exist only within the Traditional Plan. For 2014, member and employer contribution rates were consistent across all three plans.

The County's 2014 contribution rate was 14 percent, except for those plan members in law enforcement or public safety, for whom the County's contribution was 18.1 percent of covered payroll. The portion of the County's contribution used to fund pension benefits is net of post-employment health care benefits. The portion of the County's contribution allocated to health care for members in both the Traditional and Combined Plans was 2 percent for 2014. Effective January 1, 2015, the portion of employer contributions allocated to health care remains at 2 percent. Employer contributions rates are actuarially determined.

The County's required contributions for pension obligations to the Traditional Pension and Combined Plans for the years ended December 31, 2014, 2013, and 2012 were \$526,733, \$573,547, and \$424,465, respectively. For 2014, 89 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012. Contributions to the Member-Directed Plan for 2014 were \$5,520 made by the County and \$3,943 made by the plan members.

## Noble County, Ohio

### Notes to the Basic Financial Statements For the Year Ended December 31, 2014

#### NOTE 13 – POSTEMPLOYMENT BENEFITS

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

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

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

Disclosures for the health care plan are presented separately in the OPERS financial report which may be obtained by visiting <https://www.opers.org/investments/cafr.shtml>, by writing to OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

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

Employer contribution rates are expressed as a percentage of the covered payroll of active employees. In 2014, state and local government employers contributed 14 percent of covered payroll and public safety and law enforcement employers contributed at 18.1 percent. These are the maximum employer contribution rates permitted by the Ohio Revised Code.

Each year, the OPERS Retirement Board determines the portion of the employer contribution rate that will be set aside for funding post-employment health care benefits. The portion of the employer contributions allocated to health care for members in both the Traditional and Combined Plans was 2 percent for 2014. Effective January 1, 2015, the portion of the employer contributions allocated to health care remains at 2 percent for both plans, as recommended by the OPERS actuary.

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

The County's contributions allocated to fund post-employment health care benefits for the years ended December 31, 2014, 2013, and 2012 were \$85,410, \$43,124, and \$165,179, respectively. For 2014, 89 percent has been contributed with the balance being reported as an intergovernmental payable. The full amount has been contributed for 2013 and 2012.

## Noble County, Ohio

### Notes to the Basic Financial Statements For the Year Ended December 31, 2014

Changes to the health care plan were adopted by the OPERS Board of Trustees on September 9, 2012, with a transition plan commencing on January 1, 2014. With the passage of pension legislation under SB 343 and the approved health care changes, OPERS expects to be able to consistently allocate 4 percent of the employer contributions toward the health care fund after the end of the transition period.

#### **NOTE 14 – OTHER EMPLOYEE BENEFITS**

##### ***A. Compensated Absences***

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

Employees earn sick leave at the rate of 1.25 days per month of service. Sick leave accumulation is limited to 120 days. Upon retirement or death, an employee can be paid from twenty-five to fifty percent of accumulated, unused sick leave. As of December 31, 2014 the liability for compensated absences was \$592,925 for the entire County.

##### ***B. Health Insurance Option***

The County provides health and prescription insurance coverage purchased through The Health Plan for all eligible employees. The County pays eighty percent of the monthly premiums and employees pay twenty percent.

The County provides life insurance to most employees through Humana. The County pays the entire monthly premium for this benefit.

##### ***C. Health Insurance Option***

Some employees of the Motor Vehicle and Gasoline Tax Special Revenue Fund may wish to waive their insurance coverage after having this benefit provided elsewhere. In that event, a cash payment in lieu of a health benefit shall be made to the employee. The cash payment will be made once a year in December and shall not exceed twenty-five percent of the cost of premiums or payments that otherwise would be paid by the County for the employee under the single coverage.

#### **NOTE 15 – CAPITAL LEASES – LESSEE DISCLOSURE**

During 2014, the County entered into a capitalized lease agreement for a trackhoe to be used by the County Engineer's department. The repayment of this lease will be made by the Motor Vehicle and Gasoline Tax Special Revenue Fund. In prior years, the County entered into a capitalized lease for a copier used by the Emergency Management department. The repayment of this lease will be made by the Emergency Management Special Revenue Fund.

These leases meet the criteria of a capital lease which is defined as transferring benefits and risks of ownership to the lessee. Capital lease payments are reflected as debt service expenditures in the basic financial statements for the governmental funds.

**Noble County, Ohio**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014**

These assets acquired by a lease have been capitalized in the government-wide statements governmental activities in the amount of \$86,370, which is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the government-wide statements as part of governmental activities. These governmental activities capitalized leased assets are reflected net of accumulated depreciation in the amount of \$6,463 at December 31, 2014. Principal payments for this capital lease during 2014 totaled \$26,405 for governmental activities.

Future minimum lease payments through 2017 for governmental activities are as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>
2015	\$50,540	\$258
2016	2,681	116
2017	692	6
Total	<u>\$53,913</u>	<u>\$380</u>

**NOTE 16 – SIGNIFICANT COMMITMENTS**

***A. Encumbrances***

Encumbrances are commitments 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 year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

<u>Governmental Funds</u>	
General Fund	\$51,364
Motor Vehicle and Gasoline Tax	27,601
County Building	557,764
Other Governmental Funds	<u>32,656</u>
Total Governmental Funds	<u>669,385</u>
 <u>Proprietary Fund</u>	
Sewer	<u>62,292</u>
Total All Funds	<u>\$731,677</u>

***B. Contractual Commitments***

As of December 31, 2014, the County had contractual purchase commitments for the following projects:

<u>Project</u>	<u>Fund</u>	<u>Purchase Commitments</u>	<u>Amounts Paid as of 12/31/2014</u>	<u>Amounts Remaining on Contracts</u>
Belle Valley Sewer Project	Sewer	\$2,522,757	\$2,499,762	\$22,995

**Noble County, Ohio**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014**

**NOTE 17 – LONG TERM OBLIGATIONS**

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

	Outstanding 12/31/2013	Additions	Deletions	Outstanding 12/31/2014	Amounts Due Within One Year
<b>Governmental Activities:</b>					
General Obligation Bonds:					
Jail Construction	\$200,000	\$0	\$100,000	\$100,000	\$100,000
County Services Facilities	0	1,700,000	0	1,700,000	62,307
Capital Leases	8,318	72,000	26,405	53,913	50,540
Compensated Absences	543,805	317,319	268,870	592,254	171,135
Total Governmental Activities	<u>752,123</u>	<u>2,089,319</u>	<u>395,275</u>	<u>2,446,167</u>	<u>383,982</u>
<b>Business-Type Activities:</b>					
Sewer Project Phase II					
OWDA Loan - 2009 - 0%	213,792	0	12,217	201,575	12,217
Belle Valley Project OWDA					
Loan - 2013 - 0%	6,350	1,558,828	957,536	607,642	0
Compensated Absences	642	250	221	671	132
Total Business-Type Activities	<u>220,784</u>	<u>1,559,078</u>	<u>969,974</u>	<u>809,888</u>	<u>12,349</u>
Total Long-Term Obligations	<u>\$972,907</u>	<u>\$3,648,397</u>	<u>\$1,365,249</u>	<u>\$3,256,055</u>	<u>\$396,331</u>

Governmental Activities

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

During 2014, the County issued \$1,700,000 in County Services Facilities private placement general obligation bonds at an interest rate of 3.15% with a final maturity date of August 2034 for the purpose of constructing a county facilities building. The debt is being retired through the General Fund.

Annual debt service requirements to retire general obligation bonds outstanding at December 31, 2014, are as follows:

Year Ending December 31,	Principal	Interest	Total
2015	\$162,307	\$60,630	\$222,937
2016	64,270	51,587	115,857
2017	66,294	49,563	115,857
2018	68,383	47,474	115,857
2019	70,537	45,320	115,857
2020-2024	387,445	191,840	579,285
2025-2029	452,435	126,850	579,285
2030-2034	528,329	50,958	579,287
Total	<u>\$1,800,000</u>	<u>\$624,222</u>	<u>\$2,424,222</u>

**Noble County, Ohio**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014**

Compensated absences will be paid from the funds from which the employees' salaries are paid, which consist of the General Fund and the Job and Family Services, Motor Vehicle and Gasoline Tax, Real Estate Assessment, Child Support Enforcement Agency, Developmental Disabilities, Miscellaneous Court Grants, Noble County Emergency Management Agency, State Victims Advocate, and Dog and Kennel Special Revenue Funds.

Business-Type Activities

The County has pledged future sewer customer revenues, net of specified operating expenses, to repay \$809,217 in sewer system OWDA loans issued between 2009 and 2014. Proceeds from these loans provided financing for various sewer projects. The loans are payable solely from sewer customer net revenues and are payable through 2031. Annual principal and interest payments on the loans as compared to net future revenues are not estimable but are expected to be less than net revenues in each year the loans are outstanding. Principal paid for the current year and total customer net revenues were \$969,753 and \$70,626, respectively.

The amortization schedule for the Belle Valley Project will not be available until the entire amount of the loan has been drawn down or the project is complete. Annual debt service requirements to maturity for the remaining OWDA loan is as follows:

Year Ending December 31,	Principal
2015	\$12,217
2016	12,217
2017	12,217
2018	12,217
2019	12,217
2020-2024	61,083
2025-2029	61,083
2030-2033	18,324
Total	<u>\$201,575</u>

The County's overall legal debt margin at December 31, 2014 was \$3,897,193.

**NOTE 18 – INTERFUND TRANSACTIONS**

Interfund balances at December 31, 2014 consist of the following individual fund receivables and payables:

**Noble County, Ohio**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014**

	<u>Interfund Receivable</u>			<u>Totals</u>
	<u>Major Funds</u>			
<u>Interfund Payable</u>	<u>General</u>	<u>Job and Family Services</u>	<u>Sewer</u>	
Major Funds:				
Job and Family Services	\$47,511	\$0	\$0	\$47,511
Motor Vehicle and Gasoline Tax	0	0	13	13
Sewer	9,175	0	0	9,175
Other Nonmajor Governmental	<u>65,936</u>	<u>133,085</u>	<u>0</u>	<u>199,021</u>
Total All Funds	<u>\$122,622</u>	<u>\$133,085</u>	<u>\$13</u>	<u>\$255,720</u>

The above interfund receivables/payables are due to time lags between the dates interfund goods and services are provided, transactions recorded in the accounting system, and payments between funds were made. Also included in the above balances are short-term advances made from the General Fund to the Dog and Kennel, Litter Control, Moving Ohio Forward, and Community Development Block Grants Special Revenue Funds in the amounts of \$5,000, \$5,000, \$8,100, and \$35,500, respectively. A short-term advance was also made from the General Fund to the Sewer Enterprise Fund in the amount of \$9,175.

Interfund transfers for the year ended December 31, 2014 consisted of the following, as reported on the fund statements:

	<u>Transfer to</u>			<u>Totals</u>
	<u>Major Funds</u>		<u>Other</u>	
<u>Transfer from</u>	<u>Job and Family Services</u>	<u>County Building</u>	<u>Nonmajor Governmental Funds</u>	
Major Fund:				
General Fund	<u>\$18,629</u>	<u>\$205,589</u>	<u>\$97,722</u>	<u>\$321,940</u>

Transfers are used to move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them and to move unrestricted revenues collected in the General Fund to finance various programs accounted for in other funds in accordance with budgetary authorizations.

**NOTE 19 – FUND BALANCES**

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

**Noble County, Ohio**

**Notes to the Basic Financial Statements  
For the Year Ended December 31, 2014**

Fund Balances	General	Job and Family Services	Motor Vehicle and Gasoline Tax	County Building	Other Governmental Funds	Total
Nonspendable:						
Inventory	\$33,009	\$900	\$125,722	\$0	\$4,712	\$164,343
Prepays	18,052	11,916	2,702	0	77,215	109,885
Unclaimed Monies	97,455	0	0	0	0	97,455
<b>Total Nonspendable</b>	<b>148,516</b>	<b>12,816</b>	<b>128,424</b>	<b>0</b>	<b>81,927</b>	<b>371,683</b>
Restricted to:						
Court Corrections	0	0	0	0	425,072	425,072
Roads and Bridges	0	0	1,367,155	0	0	1,367,155
Human Services	0	55,980	0	0	1,204,805	1,260,785
Public Safety	0	0	0	0	265,748	265,748
Developmental Disabilities	0	0	0	0	857,175	857,175
Health	0	0	0	0	6,135	6,135
Mental Health	0	0	0	0	4,295	4,295
Community Development	0	0	0	0	62,955	62,955
Debt Service	0	0	0	0	107,081	107,081
Other Purposes	0	0	0	0	1,042,211	1,042,211
<b>Total Restricted</b>	<b>0</b>	<b>55,980</b>	<b>1,367,155</b>	<b>0</b>	<b>3,975,477</b>	<b>5,398,612</b>
Committed to:						
Severance Payments	18,539	0	0	0	0	18,539
<b>Total Assigned</b>	<b>18,539</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>18,539</b>
Assigned to:						
Unpaid Obligations Subsequent Years' Appropriations	23,452	0	0	0	0	23,452
<b>Total Assigned</b>	<b>2,341,123</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,341,123</b>
<b>Total Assigned</b>	<b>2,364,575</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,364,575</b>
Unassigned (Deficit)	2,154,300	0	0	(25,149)	(2,725)	2,126,426
<b>Total Fund Balances (Deficit)</b>	<b>\$4,685,930</b>	<b>\$68,796</b>	<b>\$1,495,579</b>	<b>(\$25,149)</b>	<b>\$4,054,679</b>	<b>\$10,279,835</b>

## Noble County, Ohio

### Notes to the Basic Financial Statements For the Year Ended December 31, 2014

#### NOTE 20 – PUBLIC ENTITY RISK POOLS

##### *A. Buckeye Joint-County Self-Insurance Council*

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

Noble County does not have any ongoing financial interest or responsibility. The agreement between the County and the Council indicates that a voluntary withdrawal or termination of the Council shall constitute a forfeiture of any pro rata share of the Council reserve fund. In the event of the termination of the Council, current members shall be paid in an amount that they have contributed to the Council as of the last month of the Council's existence. Current calculation of this potential residual interest is therefore not possible. During 2014, Noble County paid \$95,759 to the Council for coverage.

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

For 2014, the County participated in the County Commissioners' Association of Ohio Workers' Compensation Group Rating Plan (Plan) provided by the County Commissioners' Association of Ohio, a workers' compensation insurance purchasing pool. The intent of the Plan is to achieve lower workers' compensation rates while establishing safe working conditions and environments for the participants.

The workers' compensation experience of the participating counties is calculated as one experience and a common premium rate is applied to all counties in the Plan. Each participant pays its workers' compensation premium to the State based on the rate for the Plan rather than its individual rate. In order to allocate the savings derived by formation of the Plan, and to maximize the number of participants in the Plan, annually the Plan's executive committee calculates the total savings which accrued to the Plan through its formation. This savings is then compared to the overall savings percentage of the Plan. The Plan's executive committee then collects rate contributions from or pays rate equalization rebates to the various participants. Participation in the Plan is limited to counties that can meet the Plan's selection criteria. The firm of Comp Management, Inc. provides administrative, cost control, and actuarial services to the Plan. Each year, the County pays an enrollment fee to the Plan to cover the costs of administering the Plan. The County may withdraw from the Plan if written notice is provided sixty days prior to the prescribed application deadline of the Ohio Bureau of Workers' Compensation. However, the participant is not relieved of the obligation to pay any amounts owed to the Plan prior to withdrawal, and any participant leaving the Plan allows representatives of the Plan to access loss experience for three years following the last year of participation. The County's contribution to the pool for 2014 was \$55,841.

## Noble County, Ohio

### Notes to the Basic Financial Statements For the Year Ended December 31, 2014

#### NOTE 21 – JOINTLY GOVERNED ORGANIZATIONS

##### *A. South East Ohio Joint Solid Waste Management District*

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

The South East Ohio Joint Solid Waste Management District is governed and operated through three groups. An eighteen member board of directors, comprised of three commissioners from each County, is responsible for the District's financial matters. Financial records are maintained by the County and the District. The Board exercises total control over the operations of the District including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board. The District's sole revenue source is a waste disposal fee for in-district waste. A forty-three member policy committee, comprised of seven members from each county and one at-large member appointed by the policy committee, is responsible for preparing the solid waste management plan of the District in conjunction with a Technical Advisory Council whose members are appointed by the policy committee. No contributions were received from the County during 2014.

##### *B. Mental Health and Recovery Services Board*

The Mental Health and Recovery Services Board is a jointly governed organization whose participants are Muskingum, Coshocton, Guernsey, Perry, Morgan, and Noble Counties. The Board has the responsibility for development, coordinated continuation and ongoing modernization, funding, monitoring, and evaluation of community-based mental health and substance abuse programming. The Board is managed by an eighteen member board of trustees; three appointed by the Muskingum County Commissioners, seven appointed by the commissioners of the other participating counties, four by the director of the State Department of Alcohol and Drug Addiction, and four appointed by the Director of the State Department of Mental Health. The Board exercises total control over the operations including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board.

During 2014, Noble County contributed \$133,973 in tax levy revenue money through a .70 mill levy. The remaining revenues are provided by levies from other member counties, and state and federal grants awarded to the multi-county board. Muskingum County serves as fiscal agent for the Board. Continued existence of the Board is not dependent on the County's continued participation and no equity interest exists. The Board has no outstanding debt.

## Noble County, Ohio

### Notes to the Basic Financial Statements For the Year Ended December 31, 2014

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

The Guernsey-Monroe-Noble Community Action Corporation is a non-profit corporation organized to plan, conduct and coordinate programs designed to combat social and economic problems and to help eliminate conditions of poverty within Guernsey, Monroe and Noble counties. The agency is governed by an eighteen member board which consists of two commissioners or their appointees from each county, two individuals from the private sector from each county, and two low income individuals elected by each county. The six business owners are nominated by other local business owners and the six low income individuals are nominated at a public meeting of the local Neighborhood Service Center Policy Advisory Committee. The agency received federal and state monies which are applied for and received by, and in the name of, the Board of Directors. Continued existence of the Community Action Agency is not dependent upon the County's continued participation, nor does the County have an equity interest in the agency. The agency is not accumulating significant financial resources and is not experiencing fiscal distress that may cause an additional financial benefit to or burden on the County. The agency administers the operations of the Senior Citizens Center. During 2014, \$91,755 in Senior Citizens Levy money was received on behalf of the elderly residents of Noble County.

#### ***D. Buckeye Hills - Hocking Valley Regional Developmental District***

The District serves as the Area Agency on Aging for Noble, Athens, Hocking, Meigs, Morgan, Monroe, Perry, and Washington Counties. The District was created to foster a cooperative effort in regional planning, programming, and implementing plans and programs. The District is governed by a fifteen-member Board of Directors. The Board is comprised of one County Commissioner from each county, one member from the City of Athens, one member from the City of Marietta, four at-large members appointed from the ten government members, and one member from the minority sector. The Board exercises total control over the operations of the District including budgeting, appropriating, contracting, and designating management. Each participant's degree of control is limited to its representation on the Board. Noble County's annual cash contribution during 2014 was \$1,965. The local contribution is based on the County's formal resolution of cooperation with the district and the 2010 census.

#### ***E. Oakview Juvenile Residential Center***

The Oakview Juvenile Residential Center is a jointly governed organization among Monroe, Belmont, Harrison, Guernsey, Jefferson, and Noble Counties. The Center was formed to operate a regional juvenile rehabilitation facility for the use of member counties, and to house and treat adjudicated non-violent felony offenders. The facility is operated and managed by Oakview Juvenile Residential Center. The participating entities created a Judicial Rehabilitation Board the members of which are made-up of the juvenile judges of each participating county. The Board exercises total control of the budgeting, appropriating, contracting, and designating management. Each County's degree of control is limited to its representation on the Board.

#### ***F. Ohio Valley Employment Resource (OVER)***

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

## Noble County, Ohio

### Notes to the Basic Financial Statements For the Year Ended December 31, 2014

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

The Mid East Ohio Regional Council of Governments (MEORC) is a jointly governed organization which serves seventeen counties in Ohio. MEORC provides services to the developmentally disabled residents in the participating counties. MEORC is governed by a Council made up of the superintendents of each county's Board of Developmental Disabilities. Revenues are generated by fees and state grants. MEORC has no outstanding debt. The Board exercises total control over the operations of the MEORC including budgeting, contracting, appropriating, and designating management. Each participant's degree of control is limited to its representation on the Board.

#### **NOTE 22 – RELATED ORGANIZATIONS**

##### *A. Noble County Metropolitan Housing Authority*

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

##### *B. Noble County Airport Authority*

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

#### **NOTE 23 – CONTINGENT LIABILITIES**

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

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**NOBLE COUNTY**

**SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

<b>FEDERAL GRANTOR</b> <i>Pass-Through Grantor</i> Program Title	<b>Pass-through Entity Number</b>	<b>Federal CFDA Number</b>	<b>Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>			
<i>Passed Through Ohio Department of Job and Family Services:</i>			
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	G-1415-11-5407	10.561	<u>\$119,221</u>
Total U.S. Department of Agriculture			119,221
<b>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</b>			
<i>Passed Through Ohio Development Services Agency:</i>			
Community Development Block Grants - State's Program	B-C-13-1CD-1 B-F-13-1CD-1 B-W-12-1CD-1	14.228	113,130 75,000 <u>491,083</u>
Total Community Development Block Grants - State's Program			679,213
Home Investment Partnerships Program	B-C-13-1CD-2	14.239	<u>28,120</u>
Total U.S. Department of Housing and Urban Development			707,333
<b>U.S. DEPARTMENT OF INTERIOR</b>			
<i>Passed Through Ohio Department of Natural Resources:</i>			
Payment in Lieu of Taxes	N/A	15.226	<u>1,878</u>
Total U.S. Department of Interior			1,878
<b>U.S. DEPARTMENT OF LABOR</b>			
<i>Passed Through Workforce Investment Act Area 15:</i>			
Workforce Investment Act (WIA) Cluster:			
WIA Adult Programs	N/A	17.258	50,731
WIA Youth Activities	N/A	17.259	29,548
WIA Dislocated Worker Formula Grants	N/A	17.278	<u>38,797</u>
Total Workforce Investment Act Cluster			119,076
Total U.S. Department of Labor			119,076
<b>U.S. DEPARTMENT OF TRANSPORTATION</b>			
<i>Passed Through Ohio Department of Transportation:</i>			
Highway Planning and Construction	PID #96510	20.205	15,752
<i>Passed Through Ohio Emergency Management Agency:</i>			
Intragency Hazardous Materials Public Sector Training and Planning Grants	HM-HMP-0355-13-01-00	20.703	<u>6,240</u>
Total U.S. Department of Transportation			21,992
<b>U.S. ELECTION ASSISTANCE COMMISSION</b>			
<i>Passed Through Ohio Secretary of State</i>			
Help America Vote Act Requirements Payments	N/A	90.401	<u>312</u>
Total U.S. Election Assistance Commission			312
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</b>			
<i>Passed Through Ohio Department of Developmental Disabilities:</i>			
Social Services Block Grant	G-1415-11-5407	93.667	8,714

NOBLE COUNTY

SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2014  
(Continued)

FEDERAL GRANTOR <i>Pass-Through Grantor</i> Program Title	Pass-through Entity Number	Federal CFDA Number	Expenditures
<b>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES (Continued)</b>			
<i>Passed Through Ohio Department of Jobs and Family Services:</i>			
Temporary Assistance for Needy Families	G-1415-11-5407	93.558	\$586,295
Child Support Enforcement	G-1415-11-5407	93.563	67,887
Child Care and Development Block Grant	G-1415-11-5407	93.575	16,925
Foster Care - Title IV-E	G-1415-11-5407	93.658	66,929
Adoption Assistance	G-1415-11-5407	93.659	19,641
Social Services Block Grant	G-1415-11-5407	93.667	124,273
Medical Assistance Program	G-1415-11-5407	93.778	<u>197,403</u>
Total U.S. Department of Health and Human Services			1,088,067
<b>U.S. DEPARTMENT OF HOMELAND SECURITY</b>			
<i>Passed Through Ohio Emergency Management Agency:</i>			
Hazard Mitigation Grant	FEMA-DR-1805.14P-OH	97.039	15,300
Emergency Management Performance Grants	EMW-2013-EP-00060-S01	97.042	13,670
	EMW-2014-EP-00064		<u>22,935</u>
Total Emergency Management Performance Grants			36,605
Homeland Security Grant Program	EMW-2011-SS-00070	97.067	<u>21,204</u>
Total U.S. Department of Homeland Security			<u>73,109</u>
<b>Total Federal Awards Expenditures</b>			<b><u><u>\$2,130,988</u></u></b>

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

**NOBLE COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS EXPENDITURES  
FOR THE YEAR ENDED DECEMBER 31, 2014**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE B - COMMUNITY DEVELOPMENT BLOCK GRANT (CDBG) REVOLVING LOAN PROGRAMS**

The County has a revolving loan fund (RLF) program to provide low-interest loans to businesses to create jobs for low to moderate income persons. The Federal Department of Housing and Urban Development (HUD) grants money for these loans to the County under the Rural Business Enterprise Grant Program (RBEG). The Schedule reports loans made and administrative costs as disbursements on the Schedule. Subsequent loans are subject to the same compliance requirements imposed by HUD as the initial loans.

These loans are collateralized by mortgages on the property.

Activity in the RBEG revolving loan fund during 2014 is as follows:

Beginning loans receivable balance as of January 1, 2014	\$28,428
Loans made	0
Loan principal repaid	<u>28,428</u>
Ending loans receivable balance as of December 31, 2014	\$0
Cash balance on hand in the revolving loan fund as of December 31, 2014	\$95,426
Administrative costs expended during 2014	0

**NOTE C - MATCHING REQUIREMENTS**

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

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# Dave Yost • Auditor of State

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

Noble County  
200 Courthouse Square  
Caldwell, Ohio 43724

To the Board of County Commissioners:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Noble County, Ohio (the County), as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the County's basic financial statements and have issued our report thereon dated September 21, 2015.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the County's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the County's internal control. Accordingly, we have not opined on it.

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

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

### ***Compliance and Other Matters***

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

743 East State Street, Athens Mall Suite B, Athens, Ohio 45701-2157  
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***Purpose of this Report***

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

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

**Dave Yost**  
Auditor of State  
Columbus, Ohio

September 21, 2015



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR FEDERAL PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY OMB CIRCULAR A-133

Noble County  
200 Courthouse Square  
Caldwell, Ohio 43724

To the Board of County Commissioners:

### ***Report on Compliance for Each Major Federal Program***

We have audited Noble County, Ohio's (the County), compliance with the applicable requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133, Compliance Supplement* that could directly and materially affect each of the County's major federal programs for the year ended December 31, 2014. The *Summary of Auditor's Results* in the accompanying Schedule of Findings identifies the County's major federal programs.

### ***Management's Responsibility***

The County's management is responsible for complying with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

### ***Auditor's Responsibility***

Our responsibility is to opine on the County's compliance for each of the County's major federal programs based on our audit of the applicable compliance requirements referred to above. Our compliance audit followed auditing standards generally accepted in the United States of America; the standards for financial audits included in the Comptroller General of the United States' *Government Auditing Standards*; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. These standards and OMB Circular A-133 require us to plan and perform the audit to reasonably assure whether noncompliance with the applicable compliance requirements referred to above that could directly and materially affect a major federal program occurred. An audit includes examining, on a test basis, evidence about the County's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe our audit provides a reasonable basis for our compliance opinion on the County's major programs. However, our audit does not provide a legal determination of the County's compliance.

### ***Opinion on Each Major Federal Program***

In our opinion, the County complied, in all material respects, with the compliance requirements referred to above that could directly and materially affect each of its major federal programs for the year ended December 31, 2014.

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***Report on Internal Control Over Compliance***

The County's management is responsible for establishing and maintaining effective internal control over compliance with the applicable compliance requirements referred to above. In planning and performing our compliance audit, we considered the County's internal control over compliance with the applicable requirements that could directly and materially affect a major federal program, to determine our auditing procedures appropriate for opining on each major federal program's compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not to the extent needed to opine on the effectiveness of internal control over compliance. Accordingly, we have not opined on the effectiveness of the County's internal control over compliance.

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

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

This report only describes the scope of our internal control over compliance tests and the results of this testing based on OMB Circular A-133 requirements. Accordingly, this report is not suitable for any other purpose.



**Dave Yost**  
Auditor of State  
Columbus, Ohio

September 21, 2015

**NOBLE COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 § .505  
DECEMBER 31, 2014**

**1. SUMMARY OF AUDITOR'S RESULTS**

<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unmodified
<b>(d)(1)(ii)</b>	<b>Were there any material control weaknesses reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weaknesses reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any significant deficiencies in internal control reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b> <ul style="list-style-type: none"> <li>• Unmodified for the Temporary Assistance for Needy Families – CFDA #93.558</li> <li>• Unmodified for the Community Development Block Grants – State's Program and Home Investment Partnerships Program – CFDA #14.228</li> </ul>	
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under § .510(a)?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b> <ul style="list-style-type: none"> <li>• Community Development Block Grant – State's Program – CFDA #14.228</li> <li>• Temporary Assistance for Needy Families – CFDA #93.558</li> </ul>	
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$ 300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	No

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

None

**3. FINDINGS FOR FEDERAL AWARDS**

None

NOBLE COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
 OMB CIRCULAR A-133 § .315(b)  
 DECEMBER 31, 2014

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain</b>
2013-001	Cash Management – Community Development Block Grant – State’s Grant Cluster – the County did not always disburse CDBG funds within fifteen days.	Yes	Corrected



# Dave Yost • Auditor of State

## NOBLE COUNTY FINANCIAL CONDITION

### NOBLE COUNTY

#### CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
SEPTEMBER 29, 2015