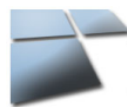


SOUTH POINT LOCAL SCHOOL DISTRICT  
LAWRENCE COUNTY  
SINGLE AUDIT  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023



*Millhuff-Stang*

CERTIFIED PUBLIC ACCOUNTANT

Millhuff-Stang, CPA, Inc.

8841 Ohio River Road / Wheelersburg, Ohio 45694 / Phone: 740.876.8548

45 West Second Street, Suite D / Chillicothe, Ohio 45601 / Phone: 740.851.4978

Fax: 888.876.8549

[natalie@millhuffstangcpa.com](mailto:natalie@millhuffstangcpa.com) / [roush@millhuffstangcpa.com](mailto:roush@millhuffstangcpa.com)

[www.milhuffstangcpa.com](http://www.milhuffstangcpa.com)





65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

Board of Education  
South Point Local School District  
302 High St.  
South Point, OH 45680

We have reviewed the *Independent Auditor's Report* of the South Point Local School District, Lawrence County, prepared by Millhuff-Stang, CPA, Inc., for the audit period July 1, 2022 through June 30, 2023. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The South Point Local School District is responsible for compliance with these laws and regulations.

Keith Faber  
Auditor of State  
Columbus, Ohio

November 08, 2024

**This page intentionally left blank.**

**South Point Local School District**  
**Lawrence County**  
*Table of Contents*  
*For the Fiscal Year Ended June 30, 2023*

---

Title	Page
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis .....	4
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Position .....	12
Statement of Activities.....	13
Fund Financial Statements:	
Balance Sheet – Governmental Funds .....	14
Reconciliation of Total Governmental Fund Balances to Net Position of Governmental Activities.....	15
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds.....	16
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	17
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – General Fund.....	18
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Budgetary Basis) – Elementary and Secondary School Emergency Relief Fund.....	19
Notes to the Basic Financial Statements .....	20
Required Supplementary Information:	
Schedule of the School District’s Proportionate Share of the Net Pension Liability – Last Ten Fiscal Years .....	62
Schedule of the School District Pension Contributions – Last Ten Fiscal Years.....	64
Schedule of the School District’s Proportionate Share of the Net OPEB Liability – Last Seven Years .....	66
Schedule of the School District OPEB Contributions – Last Eight Years .....	68
Notes to Required Supplementary Information .....	70
Schedule of Expenditures of Federal Awards .....	75
Notes to the Schedule of Expenditures of Federal Awards .....	76

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i> .....	77
Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance Required by the Uniform Guidance .....	79
Schedule of Findings and Questioned Costs .....	82
Corrective Action Plan .....	85
Schedule of Prior Audit Findings .....	86



---

**Independent Auditor's Report**

Board of Education  
South Point Local School District  
302 High Street  
South Point, Ohio 45680

**Report on the Audit of the Financial Statements**

***Opinions***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of South Point Local School District, Lawrence County, Ohio (the School District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of South Point Local School District, Lawrence County, Ohio, as of June 30, 2023, and the respective changes in financial position thereof and the respective budgetary comparison for the General Fund and Elementary and Secondary School Emergency Relief Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Basis for Opinions***

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

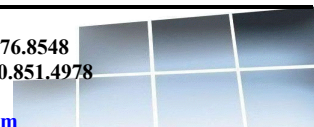
***Emphasis of Matter***

As discussed in Note 21 to the financial statements for the fiscal year ended June 30, 2023, the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the School District. We did not modify our opinion regarding this matter.

As discussed in Note 23 to the financial statements the School District restated its beginning net position due to corrections in the capital asset balances and related accumulated depreciation. We did not modify our opinion regarding this matter.

---

Millhuff-Stang, CPA, Inc.  
8841 Ohio River Road / Wheelersburg, Ohio 45694 / Phone: 740.876.8548  
45 West Second Street, Suite D / Chillicothe, Ohio 45601 / Phone: 740.851.4978  
Fax: 888.876.8549  
[natalie@millhuffstangcpa.com](mailto:natalie@millhuffstangcpa.com) / [roush@millhuffstangcpa.com](mailto:roush@millhuffstangcpa.com)  
[www.millhuffstangcpa.com](http://www.millhuffstangcpa.com)



***Responsibilities of Management for the Financial Statements***

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

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

***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedules of the District's proportionate share of the net pension liability, the schedules of the District's proportionate share of the net OPEB liability (asset), and the schedules of District contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and,



although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

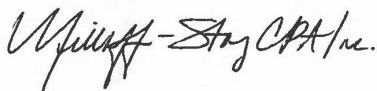
### ***Supplementary Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 23, 2024 on our consideration of the School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the School District's internal control over financial reporting and compliance.



Millhuff-Stang, CPA, Inc.  
Wheelersburg, Ohio

September 23, 2024

**South Point Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

---

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

The discussion and analysis of the South Point Local School District's financial performance provides an overall review of the School District's financial activities for the fiscal year ended June 30, 2023. The intent of this discussion and analysis is to look at the School District's financial performance as a whole; readers should also review the financial statements and the notes to the financial statements to enhance their understanding of the School District's financial performance.

**FINANCIAL HIGHLIGHTS**

*Key financial highlights for fiscal year 2023 are as follows:*

- Net Position of governmental activities increased \$3,377,698.
- General revenues accounted for \$17,850,649 in revenue or 64 percent of all revenues. Program specific revenues in the form of charges for services and sales, grants and contributions accounted for \$10,092,199 or 36 percent of total revenues of \$27,942,848.
- The School District had \$24,565,150 in expenses related to governmental activities; only \$10,092,199 of these expenses were offset by program specific charges for services and sales, grants and contributions. General revenues (primarily taxes and intergovernmental) of \$17,850,649 were adequate to cover the remaining expenses.
- Total governmental funds had \$37,721,236 in revenues and other financing sources and \$33,533,108 in expenditures. The total governmental fund balance increased \$4,122,696.

**USING THE BASIC FINANCIAL STATEMENTS**

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 South Point Local School District as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities and conditions.

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

**South Point Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

---

***Reporting the School District as a Whole***

*Statement of Net Position and Statement of Activities*

While this document contains information about the large number of funds used by the School District to provide programs and activities for students, the view of the School District as a whole looks at all financial transactions and asks the question, “How did we do financially during fiscal year 2023?” The Statement of Net Position and the Statement of Activities answer this question. These statements include all assets, liabilities, and deferred inflows and outflows of resources using the accrual basis of accounting similar to the accounting used by most private-sector companies. This basis of accounting takes into account all of the current year’s revenues and expenses regardless of when cash is received or paid.

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

In the Statement of Net Position and the Statement of Activities, all of the School District’s activities are reported as governmental including instruction, support services, operation of non-instructional services, debt service, and extracurricular activities.

***Reporting the School District’s Most Significant Funds***

*Fund Financial Statements*

The analysis of the School District’s major funds begins on page 8. Fund financial reports provide detailed information about the School District’s major funds. The School District uses many funds to account for a multiple of financial transactions. However, these fund financial statements focus on the School District’s most significant funds. The School District’s major governmental funds are the General Fund, the Elementary and Secondary School Emergency Relief Special Revenue Fund, and the Bond Retirement Fund.

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

**South Point Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

Recall that the Statement of Net Position provides the perspective of the School District as a whole. Table 1 provides a summary of the School District's Net Position for 2023 compared to 2022.

Table 1  
Net Position

	2023	2022*	Change
<b>Assets</b>			
Current and Other Assets	\$16,798,300	\$15,462,529	\$1,335,771
Net OPEB Asset	1,816,680	1,438,142	378,538
Capital Assets	41,801,309	38,965,423	2,835,886
Total Assets	<u>60,416,289</u>	<u>55,866,094</u>	<u>4,550,195</u>
<b>Deferred Outflows of Resources</b>			
Deferred Charge on Refunding	0	465,029	(465,029)
Pension	5,082,968	4,895,818	187,150
OPEB	526,715	626,253	(99,538)
Total Deferred Outflows	<u>5,609,683</u>	<u>5,987,100</u>	<u>(377,417)</u>
<b>Liabilities</b>			
Other Liabilities	2,391,656	3,252,115	(860,459)
Long-Term Liabilities:			
Due Within One Year	695,202	633,483	61,719
Due In More Than One Year:			
Net Pension Liability	19,655,525	11,483,668	8,171,857
Net OPEB Liability	1,078,340	1,450,303	(371,963)
Other Amounts	6,614,800	7,928,482	(1,313,682)
Total Liabilities	<u>30,435,523</u>	<u>24,748,051</u>	<u>5,687,472</u>
<b>Deferred Inflow of Resources</b>			
Property Taxes	7,258,526	4,879,447	2,379,079
Pension	1,827,182	9,297,374	(7,470,192)
OPEB	2,743,563	2,544,842	198,721
Total Deferred Inflow of Resources	<u>11,829,271</u>	<u>16,721,663</u>	<u>(4,892,392)</u>
<b>Net Position</b>			
Net Investment in Capital Assets	36,457,638	32,905,864	3,551,774
Restricted	1,566,171	2,189,569	(623,398)
Unrestricted (Deficits)	<u>(14,262,631)</u>	<u>(14,711,953)</u>	<u>449,322</u>
Total Net Position	<u>\$23,761,178</u>	<u>\$20,383,480</u>	<u>\$3,377,698</u>

\* - Beginning balances were restated for capital asset appraisal – See Note 23

The net pension liability (NPL) is the largest single liability reported by the School District at June 30, 2023. GASB notes that pension and OPEB obligations, whether funded or unfunded, are part of the “employment exchange” – that is, the employee is trading his or her labor in exchange for wages, benefits, and the promise of a future pension and other postemployment benefits. GASB noted that the unfunded portion of this promise is a present obligation of the government, part of a bargained-for benefit to the employee, and should accordingly be reported by the government as a

**South Point Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

---

liability since they received the benefit of the exchange. However, the School District is not responsible for certain key factors affecting the balance of these liabilities. In Ohio, the employee shares the obligation of funding pension benefits with the employer. Both employer and employee contribution rates are capped by State statute. A change in these caps requires action of both Houses of the General Assembly and approval of the Governor. Benefit provisions are also determined by State statute. The Ohio revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients. The retirement systems may allocate a portion of the employer contributions to provide for these OPEB benefits.

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

Total assets of governmental activities increased \$4,550,195, which was primarily due to increases in taxes receivables of \$2,329,227, net cash and cash equivalents of \$2,368,488 and capital assets of \$2,835,886 which were partially offset by a decrease in intergovernmental receivables of \$3,349,781.

In total, liabilities increased by \$5,687,472, primarily due to an increase in the net pension liability which was partially offset by a decrease in debt payments due to the 2022 refunding of bonds.

Table 2 on the following page shows the changes in Net Position for the fiscal year ended June 30, 2023, and comparisons to fiscal year 2022.

**THIS SPACE INTENTIONALLY LEFT BLANK**

**South Point Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

Table 2  
Changes in Net Position

<b>Revenues</b>	2023	2022	Change
<b>Program Revenues:</b>			
Charges for Services and Sales	\$317,720	\$207,693	\$110,027
Operating Grants and Contributions	9,774,479	5,735,001	4,039,478
<b>Total Program Revenues</b>	<b>10,092,199</b>	<b>5,942,694</b>	<b>4,149,505</b>
<b>General Revenues:</b>			
Property and Other Taxes	6,698,346	4,903,587	1,794,759
Grants and Entitlements	10,953,902	11,111,673	(157,771)
Investment Earnings	4,678	371	4,307
Gifts and Donations	29,696	11,668	18,028
Miscellaneous	164,027	13,493	150,534
<b>Total General Revenues</b>	<b>17,850,649</b>	<b>16,040,792</b>	<b>1,809,857</b>
<b>Total Revenues</b>	<b>27,942,848</b>	<b>21,983,486</b>	<b>5,959,362</b>
<b>Program Expenses</b>			
<b>Instruction:</b>			
Regular	9,400,634	8,384,311	1,016,323
Special	3,620,385	2,751,994	868,391
Vocational	303,655	263,997	39,658
Student Intervention Services	116,488	57,299	59,189
Other	104,065	182,636	(78,571)
<b>Support Services:</b>			
Pupils	1,223,873	1,319,832	(95,959)
Instructional Staff	887,100	689,423	197,677
Board of Education	264,347	242,459	21,888
Administration	1,791,480	1,515,799	275,681
Fiscal	571,557	562,686	8,871
Operation and Maintenance of Plant	2,209,065	1,976,885	232,180
Pupil Transportation	1,518,728	1,427,611	91,117
Central	308,599	0	308,599
<b>Operation of Non-Instructional Services:</b>			
Food Service Operations	961,998	893,936	68,062
Extracurricular Activities	1,077,317	889,512	187,805
Issuance Costs	80,948	0	80,948
Interest and Fiscal Charges	124,911	181,578	(56,667)
<b>Total Expenses</b>	<b>24,565,150</b>	<b>21,339,958</b>	<b>3,225,192</b>
<b>Change in Net Position</b>	<b>3,377,698</b>	<b>643,528</b>	<b>2,734,170</b>
<b>Net Position at Beginning of Year - as restated*</b>	<b>20,383,480</b>	N/A	N/A
<b>Net Position at End of Year</b>	<b>\$23,761,178</b>	<b>\$20,383,480</b>	<b>\$3,377,698</b>

\* - Beginning balances were restated for capital asset appraisal – See Note 23

Property taxes made up approximately 24 percent of revenues for governmental activities for the South Point Local School District. Of the remaining revenues, the School District receives 59 percent from state foundation, federal, and state grants; 1 percent from charges for services and sales, with the remainder being investment earnings, gifts and donations, and miscellaneous revenues.

**South Point Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

The increase in operating grants and contributions is primarily due to increased ESSER grant revenues in fiscal year 2023. The increase in property taxes is primarily due to significantly higher public utility personal property tax collections in fiscal year 2023.

Approximately 55 percent of the School District's budget for expenses is used to fund instructional expenses. Support services make up 36 percent of expenses and 9 percent is used for interest and fiscal charges, issuance costs, extracurricular activities, and food service operations. The increase in expenses are primarily due to substantial increases in pension expenses due to actuarial calculations.

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

Table 3  
 Cost of Services

	2023	2023	2022	2022
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
<b>Program Expenses</b>				
Instruction:				
Regular	\$9,400,634	\$7,870,242	\$8,384,311	\$7,263,336
Special	3,620,385	477,252	2,751,994	662,635
Vocational	303,655	280,350	263,997	239,203
Student Intervention Services	116,488	107,172	57,299	47,983
Other	104,065	(35,450)	182,636	29,164
Support Services:				
Pupils	1,223,873	1,210,828	1,319,832	946,777
Instructional Staff	887,100	(339,926)	689,423	424,474
Board of Education	264,347	262,704	242,459	239,317
Administration	1,791,480	1,701,046	1,515,799	1,404,273
Fiscal	571,557	559,282	562,686	536,167
Operation and Maintenance of Plant	2,209,065	1,717,500	1,976,885	1,568,313
Pupil Transportation	1,518,728	641,265	1,427,611	1,253,313
Central	308,599	(153,268)	0	(41,449)
Operation of Non-Instructional Services:				
Food Service Operations	961,998	(636,395)	893,936	70,891
Extracurricular Activities	1,077,317	604,490	889,512	571,289
Interest and Fiscal Charges	124,911	124,911	181,578	181,578
Issuance Costs	80,948	80,948	0	0
<b>Totals</b>	<b>\$24,565,150</b>	<b>\$14,472,951</b>	<b>\$21,339,958</b>	<b>\$15,397,264</b>

The dependence upon tax revenues and state subsidies for governmental activities is apparent. 59 percent of total expenses are supported through taxes and other general revenues.

**South Point Local School District**  
*Management's Discussion and Analysis*  
For the Fiscal Year Ended June 30, 2023  
Unaudited

---

**THE SCHOOL DISTRICT FUNDS**

The School District has three major funds: the General Fund, the Elementary and Secondary School Emergency Relief Special Revenue Fund, and the Bond Retirement Fund. All governmental funds had total revenues and other financing sources of \$37,721,236 and expenditures and other financing uses of \$33,533,108.

The fund balance of the General Fund increased \$712,282 due to small increases in overall expenses and increases in overall revenues. The General Fund's fund balance at year end was \$5,433,848. The fund balance of the Elementary Secondary School Emergency Relief Fund increased \$2,651,035. The fund was created in 2021 and accounted for grant monies received regarding the COVID-19 pandemic. The Bond Retirement Fund's balance decreased \$646,428 due to expenses relating to long-term liabilities exceeding revenues from property taxes and homestead and rollback.

***General Fund Budgeting Highlights***

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

The School District uses a modified site-based budgeting technique which is designed to tightly control total site budgets but provide flexibility for site management.

For the General Fund, the final estimated revenues were \$19,989,953, which was an increase from original estimates of \$19,023,455. The final estimated expenditures of \$22,544,872 represented 8.0 percent decrease from the original estimates of \$22,544,872.

The School District's ending unobligated General Fund balance was \$5,431,112.

**DEBT ADMINISTRATION AND CAPITAL ASSETS**

***Debt***

The School District has one bond and one lease obligation outstanding. Table 5 shows fiscal year 2023 balances compared to 2022.

	2023	2022
2013 Refunding Bonds:		
Serial 1.75% - 2.625%	\$0	\$1,570,000
Term 3.00% - 3.25%	0	4,485,000
Bond Premium	0	471,238
2022 Refunding Bond	4,998,000	0
Lease Obligation	345,671	0
Totals	\$5,343,671	\$6,526,238

For additional information on debt, see Note 15 to the basic financial statements.



**South Point Local School District**  
*Management's Discussion and Analysis*  
*For the Fiscal Year Ended June 30, 2023*  
*Unaudited*

---

**Capital Assets**

At the end of fiscal year 2023, the School District had \$41,801,309 invested in capital assets. Table 4 shows fiscal year 2023 balances compared to 2022.

Table 4  
 Capital Assets at June 30  
 (Net of Depreciation)

	2023	2022*
Land	\$1,978,553	\$1,978,553
Land Improvements	4,235,196	2,732,911
Buildings and Improvements	32,880,246	32,478,775
Furniture, Fixtures, and		
Equipment	1,458,818	1,468,899
Right to use Asset	527,502	0
Vehicles	720,994	306,285
Totals	\$41,801,309	\$38,965,423

\* - Beginning balances were restated for capital asset appraisal – See Note 23

For additional information on capital assets, see Note 10 to the basic financial statements.

**CURRENT ISSUES**

The financial future of the School District is not without its challenges. These challenges are external and internal in nature. The internal challenges will continue to exist, as the School District must rely heavily on local property taxes.

Externally, the School District is largely dependent on State funding sources (approximately 54.4 percent of the School District’s operating funds come from State foundation payments and other entitlements). State foundation revenue is fundamentally a function of student enrollment and a district’s property tax wealth.

The COVID-19 pandemic affected operations, revenues, and expenditures. Federal funds supplemented District revenue to offset expenses associated with necessary changes in operations to maintain the health and safety of students and staff.

As the preceding information shows, the School District continues to depend upon its taxpayers. Although South Point Local School District has attempted to keep spending in line with revenues, and carefully watched financial planning, it must improve its revenue to expense ratios if the School District hopes to remain on firm financial footing.

**CONTACTING THE SCHOOL DISTRICT’S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, and investors and creditors with a general overview of the School District’s finances and to show the School District’s accountability for the money it receives. If you have any questions or need additional information, contact Lee Elliott, Treasurer at South Point Local School District, 302 High Street, South Point, Ohio 45680.

*Statement of Net Position*  
*June 30, 2023*

	Governmental Activities
<b>Assets</b>	
Current Assets:	
Equity in Pooled Cash and Cash Equivalents	\$ 7,824,469
Intergovernmental Receivable	1,081,623
Taxes Receivable	7,892,208
Noncurrent Assets:	
Net OPEB Asset	1,816,680
Nondepreciable Capital Assets	1,978,553
Depreciable Capital Assets, Net	39,822,756
<i>Total Assets</i>	60,416,289
<b>Deferred Outflows of Resources</b>	
Pension	5,082,968
OPEB	526,715
<i>Total Deferred Outflows of Resources</i>	5,609,683
<b>Liabilities</b>	
Current Liabilities:	
Accounts Payable	153,074
Accrued Wages and Benefits Payable	1,706,221
Intergovernmental Payable	344,118
Accrued Interest Payable	8,396
Matured Compensated Absences Payable	179,847
Noncurrent Liabilities:	
Due Within One Year	695,202
Due in More Than One Year	
Net Pension Liability (See Note 12)	19,655,525
Net OPEB Liability (See Note 13)	1,078,340
Other Amounts Due in More Than One Year	6,614,800
<i>Total Liabilities</i>	30,435,523
<b>Deferred Inflows of Resources</b>	
Pension	1,827,182
OPEB	2,743,563
Property Taxes not Levied to Finance Current Year Operations	7,258,526
<i>Total Deferred Inflows of Resources</i>	11,829,271
<b>Net Position</b>	
Net Investment in Capital Assets	36,457,638
Restricted for:	
Debt Service	846,773
Capital Outlay	8,818
Other Purposes	710,580
Unrestricted (Deficit)	(14,262,631)
<i>Total Net Position</i>	\$ 23,761,178

The notes to the basic financial statements are an integral part of this statement.

**South Point Local School District**  
*Statement of Activities*  
For the Fiscal Year Ended June 30, 2023

	Program Revenues			Net (Expense) Revenue and Changes in Net Position
	Expenses	Charges for Services and Sales	Operating Grants and Contributions	
<b>Governmental Activities:</b>				
<b>Instruction:</b>				
Regular	\$ 9,400,634	\$ 80,088	\$ 1,450,304	\$ (7,870,242)
Special	3,620,385	60,799	3,082,334	(477,252)
Vocational	303,655	1,862	21,443	(280,350)
Student Intervention Services	116,488	9,316	-	(107,172)
Other	104,065	767	138,748	35,450
<b>Support Services:</b>				
Pupils	1,223,873	13,045	-	(1,210,828)
Instructional Staff	887,100	21,652	1,205,374	339,926
Board of Education	264,347	1,643	-	(262,704)
Administration	1,791,480	12,388	78,046	(1,701,046)
Fiscal	571,557	3,603	8,672	(559,282)
Operation and Maintenance of Plant	2,209,065	23,290	468,275	(1,717,500)
Pupil Transportation	1,518,728	27,631	849,832	(641,265)
Central	308,599	10,936	450,931	153,268
Operation of Non-Instructional Services	961,998	37,476	1,560,917	636,395
Extracurricular Activities	1,077,317	13,224	459,603	(604,490)
Issuance Costs	80,948	-	-	(80,948)
Interest and Fiscal Charges	124,911	-	-	(124,911)
<b>Total Governmental Activities</b>	<b>\$24,565,150</b>	<b>\$ 317,720</b>	<b>\$ 9,774,479</b>	<b>(14,472,951)</b>
<b>General Revenues:</b>				
<b>Property Taxes Levied for:</b>				
General Purposes				6,039,138
Classroom Facilities Maintenance				100,537
Debt Service				558,671
Grants and Entitlements not Restricted to Specific Programs				10,953,902
Gifts and Donations not Restricted to Specific Programs				29,696
Investment Earnings				4,678
Miscellaneous				164,027
<b>Total General Revenues</b>				<b>17,850,649</b>
Change in Net Position				3,377,698
<b>Net Position Beginning of Year - as restated</b>				<b>20,383,480</b>
<b>Net Position End of Year</b>				<b>\$ 23,761,178</b>

The notes to the basic financial statements are an integral part of this statement.

**South Point Local School District**  
*Balance Sheet*  
*Governmental Funds*  
*June 30, 2023*

	General	Bond Retirement	Elementary and Secondary School Emergency Relief	All Other Governmental Funds	Total Governmental Funds
<b>ASSETS:</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 5,762,304	\$ 795,648	\$ 3	\$ 837,102	\$ 7,395,057
Interfund Receivable	821,179	-	-	-	821,179
Intergovernmental Receivable	64,936	-	527,591	489,096	1,081,623
Taxes Receivable	7,152,830	624,005	-	115,373	7,892,208
Restricted Assets:					
Equity in Pooled Cash and Cash Equivalents	429,412	-	-	-	429,412
<i>Total Assets</i>	<u>14,230,661</u>	<u>1,419,653</u>	<u>527,594</u>	<u>1,441,571</u>	<u>17,619,479</u>
<b>LIABILITIES:</b>					
Accounts Payable	141,121	-	6,619	5,334	153,074
Accrued Wages and Benefits	1,296,044	-	107,216	302,961	1,706,221
Interfund Payable	-	-	399,649	421,530	821,179
Intergovernmental Payable	252,135	-	14,107	77,876	344,118
Matured Compensated Absences Payable	179,847	-	-	-	179,847
<i>Total Liabilities</i>	<u>1,869,147</u>	<u>-</u>	<u>527,591</u>	<u>807,701</u>	<u>3,204,439</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>					
Property Taxes not Levied to Finance Current Year Operations	6,575,367	572,880	-	110,279	7,258,526
Unavailable Revenue	352,299	31,424	53,313	37,631	474,667
<i>Total Deferred Inflows of Resources</i>	<u>6,927,666</u>	<u>604,304</u>	<u>53,313</u>	<u>147,910</u>	<u>7,733,193</u>
<b>FUND BALANCES:</b>					
Restricted	429,412	815,349	-	712,781	1,957,542
Committed	504,869	-	-	-	504,869
Assigned	160,203	-	-	-	160,203
Unassigned (Deficit)	4,339,364	-	(53,310)	(226,821)	4,059,233
<i>Total Fund Balances</i>	<u>5,433,848</u>	<u>815,349</u>	<u>(53,310)</u>	<u>485,960</u>	<u>6,681,847</u>
<i>Total Liabilities, Deferred Inflows of Resources, and Fund Balances</i>	<u>\$ 14,230,661</u>	<u>\$ 1,419,653</u>	<u>\$ 527,594</u>	<u>\$ 1,441,571</u>	<u>\$ 17,619,479</u>

The notes to the basic financial statements are an integral part of this statement.

**South Point Local School District**  
*Reconciliation of Total Governmental Fund Balances to  
 Net Position of Governmental Activities*  
 June 30, 2023

---

**Total Governmental Fund Balances** \$ 6,681,847

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. 41,801,309

Other long-term assets are not available to pay for current period expenditures and therefore are not reported in the funds.

Taxes	385,663	
Intergovernmental	89,004	

Total 474,667

The net pension liability and net OPEB liability (asset) are not due and payable in the current period; therefore, the liabilities (asset) and related deferred inflows/outflows are not reported in the funds.

Deferred outflows of resources related to pensions	5,082,968	
Deferred outflows of resources related to OPEB	526,715	
Deferred inflows of resources related to pensions	(1,827,182)	
Deferred inflows of resources related to OPEB	(2,743,563)	
Net Pension Liability	(19,655,525)	
Net OPEB Asset	1,816,680	
Net OPEB Liability	(1,078,340)	

Total (17,878,247)

Long-term liabilities, including bonds, interest payable, lease obligations, and the long-term portion of compensated absences, are not due and payable in the current period and therefore are not reported in the funds.

Compensated Absences	(1,966,331)	
Interest Payable	(8,396)	
Lease Obligations	(345,671)	
Bonds Payable	(4,998,000)	

Total (7,318,398)

**Net Position of Governmental Activities** \$ 23,761,178

The notes to the basic financial statements are an integral part of this statement.

**South Point Local School District**  
*Statement of Revenues, Expenditures and Changes in Fund Balances*  
*Governmental Funds*  
*For the Fiscal Year Ended June 30, 2023*

	General	Bond Retirement	Elementary and Secondary School Emergency Relief	All Other Governmental Funds	Total Governmental Funds
<b>REVENUES:</b>					
Property and Other Taxes	\$ 6,049,638	\$ 607,690	\$ -	\$ 100,321	\$ 6,757,649
Intergovernmental	12,027,705	39,062	8,179,332	4,734,264	24,980,363
Interest	4,678	-	-	-	4,678
Tuition and Fees	85,215	-	-	-	85,215
Rent	2,800	-	-	-	2,800
Extracurricular Activities	21,507	-	-	207,035	228,542
Gifts and Donations	19,551	-	-	10,145	29,696
Customer Sales and Services	-	-	-	1,163	1,163
Miscellaneous	149,453	-	-	14,574	164,027
<i>Total Revenues</i>	<u>18,360,547</u>	<u>646,752</u>	<u>8,179,332</u>	<u>5,067,502</u>	<u>32,254,133</u>
<b>EXPENDITURES:</b>					
<b>Current:</b>					
<b>Instruction:</b>					
Regular	7,832,604	-	727,908	170,897	8,731,409
Special	2,026,785	-	10,640	1,326,619	3,364,044
Vocational	286,169	-	-	-	286,169
Student Intervention Services	112,638	-	-	-	112,638
Other	5,222	-	94,709	-	99,931
<b>Support Services:</b>					
Pupils	827,646	-	164,146	113,870	1,105,662
Instructional Staff	392,779	-	116,216	360,467	869,462
Board of Education	264,645	-	-	-	264,645
Administration	1,758,975	-	37,172	16,445	1,812,592
Fiscal	568,202	18,372	-	6,355	592,929
Operation and Maintenance of Plant	1,971,221	-	232,930	76,635	2,280,786
Pupil Transportation	1,171,404	-	514,130	42,511	1,728,045
Central	8,864	-	-	295,885	304,749
Operation of Non-Instructional Services	6,796	-	12,054	1,007,938	1,026,788
Extracurricular Activities	351,324	-	65,441	238,673	655,438
Capital Outlay	62,991	-	3,898,622	5,400	3,967,013
<b>Debt Service:</b>					
Principal	-	6,113,000	-	-	6,113,000
Interest	-	136,860	-	-	136,860
Issuance Costs	-	80,948	-	-	80,948
<i>Total Expenditures</i>	<u>17,648,265</u>	<u>6,349,180</u>	<u>5,873,968</u>	<u>3,661,695</u>	<u>33,533,108</u>
<i>Excess of Revenues Over (Under) Expenditures</i>	<u>712,282</u>	<u>(5,702,428)</u>	<u>2,305,364</u>	<u>1,405,807</u>	<u>(1,278,975)</u>
<b>OTHER FINANCING SOURCES:</b>					
General Obligation Refunding Bonds Issued	-	5,056,000	-	-	5,056,000
Inception of Lease	-	-	345,671	-	345,671
<i>Total Other Financing Sources</i>	<u>-</u>	<u>5,056,000</u>	<u>345,671</u>	<u>-</u>	<u>5,401,671</u>
<i>Net Change in Fund Balances</i>	712,282	(646,428)	2,651,035	1,405,807	4,122,696
<i>Fund Balances at Beginning of Year</i>	<u>4,721,566</u>	<u>1,461,777</u>	<u>(2,704,345)</u>	<u>(919,847)</u>	<u>2,559,151</u>
<i>Fund Balances at End of Year</i>	<u>\$ 5,433,848</u>	<u>\$ 815,349</u>	<u>\$ (53,310)</u>	<u>\$ 485,960</u>	<u>\$ 6,681,847</u>

The notes to the basic financial statements are an integral part of this statement.

**South Point Local School District**  
*Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Fiscal Year Ended June 30, 2023*

**Net Change in Fund Balances - Total Governmental Funds** \$ 4,122,696

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 asset additions exceeded depreciation in the current period.

Capital Asset Additions	4,907,575	
Current Year Depreciation	(2,071,689)	
Total	2,835,886	2,835,886

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

Taxes	(59,303)	
Intergovernmental	(4,251,982)	
Total	(4,311,285)	(4,311,285)

Issuance of debt are recorded as other financing sources in the governmental funds, but the issuance increases liabilities in the statement of net position and does not result in a revenue in the statement of activities.

Issuance of general obligation refunding bonds	(5,056,000)	
Inception of lease obligation	(345,671)	
Total	(5,401,671)	(5,401,671)

Repayments of bond principal are expenditures in the governmental funds, but the repayment reduces liabilities in the statement of net position and does not result in an expense in the statement of activities.

6,113,000

Contractually required contributions related to pensions are reported as expenditures in governmental funds; however, the statement of activities reports these amounts as deferred outflows.

1,782,089

Except for amounts reported as deferred inflows/outflows, changes in the net pension and OPEB liabilities/asset are reported as pension and OPEB expense in the statement of activities:

(1,831,855)

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

Decrease in Compensated Absences	69,356	
Net Amortization of Interest from Refunding of Bonds	(6,258)	
Decrease in Accrued Interest Payable	5,740	
Total	68,838	68,838

**Net Change in Net Position of Governmental Activities** \$ 3,377,698

The notes to the basic financial statements are an integral part of this statement.

South Point Local School District  
*Statement of Revenues, Expenditures and Changes  
 In Fund Balance - Budget and Actual (Budgetary Basis)  
 General Fund  
 For the Fiscal Year Ended June 30, 2023*

---

	Original Budget	Final Budget	Actual	Variance with Final Budget
Total Revenues and Other Financing Sources	\$ 19,023,455	\$ 19,989,953	\$ 19,989,953	\$ -
Total Expenditures and Other Financing Uses	22,544,872	22,544,872	18,872,072	3,672,800
Net Change in Fund Balance	(3,521,417)	(2,554,919)	1,117,881	3,672,800
Fund Balance at Beginning of Year	3,704,337	3,704,337	3,704,337	-
Prior Year Encumbrances Appropriated	518,894	518,894	518,894	-
Fund Balance at End of Year	\$ 701,814	\$ 1,668,312	\$ 5,341,112	\$ 3,672,800

The notes to the basic financial statements are an integral part of this statement.



South Point Local School District  
*Statement of Revenues, Expenditures and Changes  
In Fund Balance - Budget and Actual (Budgetary Basis)  
Elementary and Secondary School Emergency Relief Fund  
For the Fiscal Year Ended June 30, 2023*

---

	Original Budget	Final Budget	Actual	Variance with Final Budget
Total Revenues and Other Financing Sources	\$ 8,330,733	\$ 8,104,703	\$ 8,104,703	\$ -
Total Expenditures and Other Financing Uses	3,282,618	7,560,297	6,260,665	1,299,632
Net Change in Fund Balance	5,048,115	544,406	1,844,038	1,299,632
Fund Balance at Beginning of Year	(4,502,935)	(4,502,935)	(4,502,935)	-
Prior Year Encumbrances Appropriated	2,649,353	2,649,353	2,649,353	-
Fund Balance at End of Year	\$ 3,194,533	\$ (1,309,176)	\$ (9,544)	\$ 1,299,632

The notes to the basic financial statements are an integral part of this statement.

## **South Point Local School District, Ohio**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

---

### **Note 1 - Description of the School District and Reporting Entity**

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

The School District operates under a locally-elected five-member Board form of government and provides educational services as authorized by State statute and federal guidelines. This Board of Education controls the School District's four instructional/support facilities staffed by 79 classified employees and 122 certified teaching and administrative personnel who provide services to 1,322 students and other community members.

#### ***Reporting Entity***

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

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

The School District participates in the Metropolitan Educational Technology Association, the Collins Career Center, and the Educational Regional Service System Region 15, which are defined as jointly governed organizations, and the Ohio School Plan, the Lawrence County Schools Council of Governments Health Benefits Program, and the Ohio School Boards Association Workers' Compensation Group Rating Program, which are defined as insurance purchasing pools. These organizations are presented in Notes 17 and 18.

### **Note 2 - Summary of Significant Accounting Policies**

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

# South Point Local School District, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

---

## **Note 2 - Summary of Significant Accounting Policies (Continued)**

### ***Basis of Presentation***

The School District's basic financial statements consist of government-wide statements, including a statement of net position and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

***Government-wide Financial Statements*** The statement of net position and the statement of activities display information about the School District as a whole. These statements include the financial activities of the primary government, except for the fiduciary funds. The School District has no fiduciary funds. The statements usually distinguish between those activities that are governmental (primarily supported by taxes and intergovernmental revenues) and those that are considered business-type activities (primarily supported by fees and charges). The School District, however, has no business-type activities or fiduciary funds.

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

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

### ***Fund Accounting***

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

***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 School District's major governmental funds:

## South Point Local School District, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

---

### **Note 2 - Summary of Significant Accounting Policies (Continued)**

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

**Elementary Secondary School Emergency Relief Fund** The Elementary Secondary School Emergency Relief Fund is used to account for assistance used to mitigate the impact of COVID-19 on the students and the School District.

**Bond Retirement Fund** The Bond Retirement Fund accounts for tax revenues collected to repay outstanding general obligation bonds.

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

#### **Measurement Focus**

**Government-wide Financial Statements** The government-wide financial statements are prepared using a flow of economic resources measurement focus. All assets, liabilities, and deferred inflows and outflows of resources associated with the operation of the School District are included on the statement of net position. The statement of activities accounts for increases (revenues) and decreases (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, current liabilities, and certain deferred inflows and outflows of resources generally are included on the balance sheet. The statement of revenues, expenditures and changes in fund balances reports on the sources (revenues and other financing sources) and uses (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 fund financial statements for governmental funds.

#### **Basis of Accounting**

Basis of accounting determines when transactions are recorded in the financial records and reported on the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. 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 fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the School District, available means expected to be received within sixty days of fiscal year end.

## South Point Local School District, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

---

### **Note 2 - Summary of Significant Accounting Policies (Continued)**

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

On a modified accrual basis, revenue from nonexchange transactions must also be available before it can be recognized. Under the modified accrual basis, the following revenue sources are considered to be both measurable and available at fiscal year end: property taxes available as an advance, investment earnings, tuition, grants, fees, and rentals.

***Deferred Outflows/Inflows of Resources*** In addition to assets, the statements of financial position will sometimes report a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period and will not be recognized as an outflow of resources (expense/expenditure) until then. For the School District, deferred outflows of resources are reported on the government-wide statement of net position for deferred charges on refunding and for pension and OPEB plans. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred outflows of resources related to pension and OPEB are explained in Notes 12 and 13.

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 until that time. For the School District, deferred inflows of resources include property taxes, pension, OPEB plans, and unavailable revenue. Property taxes represent amounts for which there is an enforceable legal claim as of June 30, 2023, but which were levied to finance fiscal year 2024 operations. These amounts have been recorded as a deferred inflow on both the government-wide statement of net position and governmental fund financial statements. Unavailable revenue is reported only on the governmental funds balance sheet and represents receivables which will not be collected within the available period. For the School District, unavailable revenue includes delinquent property taxes, and intergovernmental revenues. These amounts are deferred and recognized as an inflow of resources in the period the amounts become available. The details of these unavailable revenues are identified on the Reconciliation of Total Governmental Fund Balance to Net Position of Governmental Activities found on page 15. Deferred inflows of resources related to pension and OPEB plans are reported on the government-wide statement of net position. (See Notes 12 and 13)

***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.

## South Point Local School District, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

---

### **Note 2 - Summary of Significant Accounting Policies (Continued)**

#### ***Cash and Cash Equivalents***

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

During fiscal year 2023, investments included non-negotiable certificates of deposit, which are reported at cost.

Following Ohio statutes, the Board of Education has, by resolution, specified the funds to receive an allocation of interest earnings. Interest revenue credited to the General Fund during fiscal year 2023 amounted to \$4,678.

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

#### ***Capital Assets***

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

All capital assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the fiscal year. The School District was able to estimate the historical cost for the initial reporting of certain assets by back trending (i.e., estimating the current replacement cost of the asset to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). Donated capital assets are recorded at their acquisition values as of the date received. The School District maintains a capitalization threshold of five thousand dollars. The School District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not capitalized

## South Point Local School District, Ohio

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023

---

### Note 2 - Summary of Significant Accounting Policies (Continued)

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

Description	Estimated Lives
Land Improvements	20 years
Buildings and Improvements	20-50 years
Furniture, Fixtures, and Equipment	5-20 years
Vehicles	8 years
Right-to-Use Assets	3-5 years

#### *Internal Activity*

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

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

#### *Restricted Assets*

Assets are reported as restricted assets when limitations on their use change the normal understanding of the availability of the asset. Such constraints are either externally imposed by creditors, contributors, grantors, or laws of other governments or imposed by law through constitutional provisions or enabling legislation. Restricted assets include unexpended revenues restricted for capital improvements.

#### *Compensated Absences*

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributable to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. A liability is recorded for vacation eligible employees after one year of service with the School District. Employees may carry over unused vacation balances based on years of service with the School District.

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

The entire compensated absences liability is reported on the government-wide financial statements. On the governmental fund financial statements, compensated absences are recognized as liabilities and expenditures to the extent payments come due each person upon the occurrence of employee resignations

## South Point Local School District, Ohio

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023

---

### Note 2 - Summary of Significant Accounting Policies (Continued)

and retirements. These amounts are recorded in the accounts “matured compensated absences payable” in the funds from which these payments will be made.

#### ***Accrued Liabilities and Long-term Obligations***

All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

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

#### ***Fund Balance***

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

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

**Restricted** The restricted fund balance category includes amounts that can be spent only for the specific purposes stipulated by State constitution or external resource providers. Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or it is imposed by law through constitutional provisions.

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

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



## South Point Local School District, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

---

### **Note 2 - Summary of Significant Accounting Policies (Continued)**

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

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

#### ***Pensions/Other Postemployment Benefits (OPEB)***

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

#### ***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.

#### ***Net Position***

Net Position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

The School District applies restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

## South Point Local School District, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

---

### **Note 2 - Summary of Significant Accounting Policies (Continued)**

#### ***Budgetary Process***

All funds, other than custodial funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the appropriation resolution, and the certificate of estimated resources, which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amounts that the Board of Education may appropriate. The appropriation resolution is the Board's authorization to spend resources and set annual limits on expenditures plus encumbrances at a level of control selected by the Board. The legal level of control has been established by the Board of Education at the fund level. The Treasurer has been authorized to allocate appropriations to the function and object levels.

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

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

### **Note 3 - Changes in Accounting Principles**

For fiscal year 2023, the School District has implemented GASB Statement No. 91, "*Conduit Debt Obligations*", GASB Statement No. 94, "*Public-Private and Public-Public Partnerships and Availability Payment Arrangements*", GASB Statement No. 96, "*Subscription Based Information Technology Arrangements*", certain questions and answers of GASB Implementation Guide 2021-1 and certain paragraphs of GASB Statement No. 99, "*Omnibus 2022*".

GASB Statement No. 91 provides a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The implementation of GASB Statement No. 91 did not have an effect on the financial statements of the School District.

# South Point Local School District, Ohio

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023

---

## Note 3 - Changes in Accounting Principles (Continued)

GASB Statement No. 94 is to improve financial reporting by addressing issues related to public-private and public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. The implementation of GASB Statement No. 94 did not have an effect on the financial statements of the School District.

GASB Statement No. 96 provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. The implementation of GASB Statement No. 96 did not have an effect on the financial statements of the School District.

GASB Implementation Guide 2021-1 provides clarification on issues related to previously established GASB guidance. The implementation of GASB Implementation Guide 2021-1 did not have an effect on the financial statements of the School District.

GASB Statement No. 99 to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The implementation of GASB Statement No. 99 did not have an effect on the financial statements of the School District.

## Note 4 – Accountability and Compliance

### *Accountability*

The following funds had a deficit fund balance as of June 30, 2023:

	<u>Deficit</u>
<b>Special Revenue Funds:</b>	
Major Fund	
Elementary Secondary School Emergency Relief	\$53,310
Nonmajor Funds	
Title I	151,609
Broadband Connectivity	9,780
Food Service	65,432

These deficits are the result of the recognition of payables in accordance with generally accepted accounting principles as well as short-term interfund loans from the General Fund needed for operations until the receipt of grant monies. The General Fund provides transfers to cover deficit balances; however, this is done when cash is needed rather than when accruals occur.

### *Compliance*

Contract to Ohio Revised Code Section 5705.38(B) the School District did not pass its annual appropriation resolution by the required date.

# South Point Local School District, Ohio

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2023

## Note 4 – Accountability and Compliance (Continued)

Contrary to Ohio Revised Code Section 5705.39 the School District had appropriations in excess of estimated resources in the ESSER fund. Contrary to Ohio Revised Code Section 5705.36(A)(4) the School District had appropriations in excess of available resources in the ESSER fund.

Contrary to Ohio Revised Code Section 5705.41(B) the School District had expenditures in excess of appropriations in the Title I, Bond Retirement, and Food Service Funds.

Contrary to Ohio Revised Code Section 5705.412 the School District did not properly utilize 412 certificates.

## Note 5 - Budgetary Basis of Accounting

While the School District is reporting financial position, results of operations, and changes in fund balance on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The Statements of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis) for the General Fund and the Elementary Secondary School Emergency Relief 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 GAAP (modified accrual) 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. Encumbrances are treated as expenditures (budget basis) rather than committed or assigned fund balance (GAAP basis).
4. Advances are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).
5. Certain funds are accounted for as separate funds internally with legally adopted budgets (budget basis) that do not meet the definition of special revenue funds under GASB Statement No. 54 and were reported with the General Fund (GAAP basis).

The following table summarizes the adjustments necessary to reconcile the GAAP basis statements to the budgetary basis statements for the General Fund and Elementary Secondary School Emergency Relief Special Revenue Fund.

	General	Elementary Secondary School Emergency Relief
GAAP Basis	\$712,282	\$2,651,035
Revenue Accruals	1,659,602	(420,300)
Expenditure Accruals	(1,189,033)	(377,155)
Mapped Funds	176,852	0
Encumbrances	(241,822)	(9,542)
Budget Basis	<u>\$1,117,881</u>	<u>\$1,844,038</u>

## South Point Local School District, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

---

### **Note 6 - Deposits and Investments**

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

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

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

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

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

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

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, and Government National Mortgage Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, and with certain limitations including a requirement for maturity within ten years from the date of settlement, bonds and other obligations of political subdivisions of the State of Ohio, if training requirements have been met;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;

## South Point Local School District, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

---

### **Note 6 - Deposits and Investments (Continued)**

6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio); and
8. Certain bankers' acceptances for a period not to exceed one hundred eighty days) and commercial paper notes (for a period not to exceed two hundred seventy days) in an amount not to exceed 40 percent of the interim monies available for investment at any one time if trading requirements have been met. The investment in commercial paper notes of a single issuer shall not exceed in the aggregate five percent of interim moneys available for investment at the time of purchase.

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

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

### **Note 7 - Property Taxes**

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

Property taxes include amounts levied against all real and public utility property located in the School District. Real property tax revenue received in calendar year 2023 represents collections of calendar year 2022 taxes. Real property taxes received in calendar year 2023 were levied after April 1, 2022, on the assessed value listed as of January 1, 2022, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semi-annually. If paid annually, payment is due December 31; if paid semi-annually, the first payment is due December 31 with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax revenue received in calendar year 2023 represents collections of calendar year 2022 taxes. Public utility real personal property taxes received in calendar year 2023 became a lien December 31, 2021, were levied after April 1, 2022, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property currently is assessed at varying percentages of true value.

The School District receives property taxes from Lawrence County. The County Auditor periodically advances to the School District its portion of the taxes collected. Second-half real property tax payments collected by the County by June 30, 2023, are available to finance fiscal year 2023 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

## South Point Local School District, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

### Note 7 - Property Taxes (Continued)

Accrued property taxes receivable includes real property and public utility property taxes which were measurable as of June 30, 2023, and for which there is an enforceable legal claim. Although total property tax collections for the next fiscal year are measurable, only the amount of real property taxes available as an advance at June 30 was levied to finance current fiscal year operations and is reflected as revenue at fiscal year end. The portion of the receivable not levied to finance current fiscal year operations is offset by a credit to deferred inflows of resources - property taxes.

The amount available as an advance for June 30, 2023, was \$225,164 in the General Fund, \$19,701 in the Bond Retirement Debt Service Fund, and \$3,154 in the Classroom Facilities Maintenance Special Revenue Fund. The amount available as an advance for June 30, 2022, was \$203,117 in the General Fund, \$27,563 in the Bond Retirement Debt Service Fund, and \$3,370 in the Classroom Facilities Maintenance Special Revenue Fund. On a full accrual basis, collectible delinquent property taxes have been recorded as a receivable and revenue, while on a modified accrual basis the revenue has been reported as deferred inflows of resources – unavailable revenues.

The assessed values upon which the fiscal year 2023 taxes were collected are:

	2022 Second Half Collections		2023 First Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/Residential	\$224,028,750	84.50%	\$267,008,080	78.28%
Public Utility Personal	41,092,340	15.50%	74,087,910	21.72%
<b>Total</b>	<b>\$265,121,090</b>	<b>100.00%</b>	<b>\$341,095,990</b>	<b>100.00%</b>
 Tax Rate per \$1,000 of Assessed Valuation	 \$23.65		 \$22.65	

### Note 8 - Receivables

Receivables at June 30, 2023, consisted of property taxes, interfund, and intergovernmental grants. All receivables are considered collectible in full due to the ability to foreclose for the nonpayment of taxes, the stable condition of State programs, and the current fiscal year guarantee of federal funds. All receivables, except delinquent property taxes, are expected to be collected in one year. Property taxes, although ultimately collectible, include some portion of delinquencies that will not be collected within one year. The delinquent property taxes amounted to \$441,697.

A summary of the principal items of intergovernmental receivables follows:

Major Funds:	
General	\$64,936
Elementary and Secondary School Emergency Relief	527,591
Nonmajor Funds:	
Food Service	17,745
Title I Grants to Local Educational Agencies	72,900
Miscellaneous Federal Grants	398,451
<b>Total Nonmmajor Funds</b>	<b>489,096</b>
<b>Total</b>	<b>\$1,081,623</b>

## South Point Local School District, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

### Note 9 - Significant Commitments

#### *Encumbrances*

The School District utilizes encumbrance accounting as part of its budgetary controls. Encumbrances outstanding at fiscal year end may be reported as part of restricted, committed, or assigned classifications of fund balance. At fiscal year end, the School District's commitments for encumbrances in the governmental funds were as follows:

Fund	Amount
General	\$241,822
Elementary Secondary School Emergency Relief	9,542
Nonmajor Governmental Funds	124,008
Total	\$375,372

### Note 10 - Capital Assets

Capital asset activity for the fiscal year ended June 30, 2023, was as follows:

	Balance at 6/30/2022 (1)	Additions	Deductions	Balance at 6/30/23
Capital Assets:				
Capital Assets not being Depreciated:				
Land	\$1,978,553	\$0	\$0	\$1,978,553
Total Nondepreciable Capital Assets	1,978,553	0	0	1,978,553
Depreciable Capital Assets:				
Land Improvements	5,438,520	1,846,980	0	7,285,500
Buildings and Improvements	56,607,796	1,769,824	0	58,377,620
Furniture, Fixtures, and Equipment	2,751,843	236,953	0	2,988,796
Right to use Asset	0	527,502	0	527,502
Vehicles	1,739,944	526,316	0	2,266,260
Total Depreciable Capital Assets	66,538,103	4,907,575	0	71,445,678
Less Accumulated Depreciation:				
Land Improvements	(2,705,609)	(344,695)	0	(3,050,304)
Buildings and Improvements	(24,129,021)	(1,368,353)	0	(25,497,374)
Furniture, Fixtures, and Equipment	(1,282,944)	(247,034)	0	(1,529,978)
Right to use Asset	0	0	0	0
Vehicles	(1,433,659)	(111,607)	0	(1,545,266)
Total Accumulated Depreciation	(29,551,233)	(2,071,689)	0	(31,622,922)
Total Capital Assets being Depreciated, Net	36,986,870	2,835,886	0	39,822,756
Capital Assets, Net	\$38,965,423	\$2,835,886	\$0	\$41,801,309

(1) - Beginning balances at 6/30/22 were restated. See Note 23.



## South Point Local School District, Ohio

*Notes to the Basic Financial Statements*

*For the Fiscal Year Ended June 30, 2023*

---

### Note 10 - Capital Assets (Continued)

\*Depreciation expense was charged to governmental functions as follows:

Instruction:	
Regular	\$591,317
Special	272,917
Vocational	11,549
Student Intervention Services	3,850
Support Services:	
Pupils	84,690
Instructional Staff	19,248
Administration	61,593
Fiscal	11,549
Operation and Maintenance of Plant	178,486
Pupil Transportation	314,281
Central	3,850
Food Service Operations	99,250
Extracurricular Activities	419,109
Total Depreciation Expense	<u><u>\$2,071,689</u></u>

**THIS SECTION INTENTIONALLY LEFT BLANK**

## South Point Local School District, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

### Note 11 - Risk Management

The School District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For fiscal year 2023 the School District contracted with Hylant Administrative Services Selective Insurance for the following coverage:

Property	Deductible	Limits of Coverage
Building and Contents - Replacement Cost	\$1,000	\$73,450,769
General Liability:		
Each Occurrence	0	4,000,000
Aggregate Limit	0	6,000,000
Products - Completed Operations Aggregate Limit	0	4,000,000
Personal and Advertising Injury Limit - Each Offense	0	4,000,000
Fire Legal Liability	0	500,000
Medical Expense Limit - Per Person/Accident	0	10,000
Employers' Liability - Stop Gap:		
Each Occurrence	0	4,000,000
Per Disease Each Employee	0	4,000,000
Per Disease Policy Limit	0	4,000,000
Employee Benefits Liability:		
Per Claim	2,500	4,000,000
Aggregate Limit	0	6,000,000
Vehicles:		
Bodily Injury and Property Damage:		
Per Person	0	4,000,000
Medical Payments - Each Person	0	5,000
Uninsured Motorist:		
Each Accident	0	1,000,000

Settled claims have not exceeded this commercial coverage in any of the past three fiscal years. The School District reviewed its insurance coverage and made adjustments as deemed appropriate.

For fiscal year 2023, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 18). The intent of the GRP is to achieve the benefit of a reduced premium for the School District by virtue of its grouping and representation with other participants in the GRP. The workers' compensation experience of the participating school districts is calculated as one experience and a common premium rate is applied to all school districts in the GRP. Each participant pays its workers' compensation premium to the State based on the rate for the GRP rather than its individual rate. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria.

## South Point Local School District, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

---

### **Note 12 – Defined Benefit Pension Plans**

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

#### **Net Pension Liability/Net OPEB Liability (Asset)**

Pensions and OPEB are a component of exchange transactions—between an employer and its employees—of salaries and benefits for employee services. Pensions and OPEB are provided to an employee on a deferred-payment basis as part of the total compensation package offered by an employer for employee services each financial period. The obligation to sacrifice resources for pensions and OPEB are a present obligation because it was created as a result of employment exchanges that already have occurred.

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

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

GASB Statements No. 68/75 assume the liability is solely the obligation of the employer, because (1) they benefit from employee services; and (2) State statute requires all funding to come from these employers. All contributions to date have come solely from these employers (which also includes costs paid in the form of withholdings from employees). The retirement systems may allocate a portion of the employer contributions to provide for the OPEB benefits. In addition, health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. State statute requires the pension plans to amortize unfunded liabilities within 30 years. If the pension amortization period exceeds 30 years, each retirement system's board must propose corrective action to the State legislature. Any resulting legislative change to benefits or funding could significantly affect the net pension/OPEB liability (asset). Resulting adjustments to the net pension/OPEB liability (asset) would be effective when the changes are legally enforceable. The Ohio Revised Code permits, but does not require the retirement systems to provide healthcare to eligible benefit recipients.

The remainder of this note includes the required pension disclosures. See Note 13 for the required OPEB disclosures.

#### **Plan Description - School Employees Retirement System (SERS)**

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

## South Point Local School District, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

### Note 12 – Defined Benefit Pension (Continued)

#### Plan Description - School Employees Retirement System (SERS) (Continued)

Age and service requirements for retirement are as follows:

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

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

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

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

Funding Policy – Plan members are required to contribute 10 percent of their annual covered salary and the School District is required to contribute 14 percent of annual covered payroll. The contribution requirements of plan members and employers are established and may be amended by the SERS' Retirement Board up to statutory maximum amounts of 10 percent for plan members and 14 percent for employers. The Retirement Board, acting with the advice of the actuary, allocates the employer contribution rate among four of the System's funds (Pension Trust Fund, Death Benefit Fund, Medicare B Fund, and Health Care Fund). For the fiscal year ended June 30, 2023, 14.0% was designated to pension, death benefits, and Medicare B. There was no amount allocated to the Health Care Fund for fiscal year 2023.

The School District's contractually required contribution to SERS was \$361,522 for fiscal year 2023. Of this amount \$36,734 is reported as an intergovernmental payable.

#### Plan Description - State Teachers Retirement System (STRS)

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

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

## South Point Local School District, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

---

### **Note 12 Defined Benefit Pension Plans (Continued)**

#### **Plan Description - State Teachers Retirement System (STRS) (Continued)**

The DB Plan offers an annual retirement allowance based on final average salary multiplied by a percentage that varies based on years of service. Effective Aug. 1, 2015, the calculation is 2.2% of final average salary for the five highest years of earnings multiplied by all years of service. Eligibility changes will be phased in until Aug. 1, 2023, when retirement eligibility for unreduced benefits will be five years of service credit and age 65, or 35 years of service credit at any age.

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

The DC Plan allows members to place all of their member contributions and 9.53% of the 14% employer contributions into an investment account. The member determines how to allocate the member and employer money among various investment choices offered by STRS Ohio. The remaining 4.47% of the 14% employer rate is allocated to the defined benefit unfunded liability. A member is eligible to receive a retirement benefit at age 50 and termination of employment. The member may elect to receive a lifetime monthly annuity or a lump sum withdrawal.

The Combined Plan offers features of both the DB Plan and the DC Plan. In the Combined Plan, 12 percent of the 14 percent member rate goes to the DC Plan and the remaining 2 percent goes to the DB Plan. Member contributions to the DC Plan are allocated among investment choices by the member, and contributions to the DB Plan from the employer and the member are used to fund the defined benefit payment at a reduced level from the regular DB Plan. The defined benefit portion of the Combined Plan payment is payable to a member on or after age 60 with five years of service. The defined contribution portion of the account may be taken as a lump sum payment or converted to a lifetime monthly annuity after termination of employment at age 50 or later.

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

A DB or Combined Plan member with five or more years of credited service who is determined to be disabled may qualify for a disability benefit. Eligible survivors of members who die before service retirement may qualify for monthly benefits. New members on or after July 1, 2013, must have at least 10 years of qualifying service credit to apply for disability benefits. Members in the DC Plan who become disabled are entitled only to their account balance. If a member of the DC Plan dies before retirement benefits begin, the member's designated beneficiary is entitled to receive the member's account balance.

Funding Policy – Employer and member contribution rates are established by the Retirement Board and limited by Chapter 3307 of the Ohio Revised Code. The statutory employer rate is 14% and the statutory member rate is 14% of covered payroll. The School District was required to contribute 14 percent; the entire 14 percent was the portion used to fund pension obligations. The fiscal year 2023 contribution rates were equal to the statutory maximum rates.

The District's contractually required contribution to STRS Ohio was \$1,366,964 for fiscal year 2023. Of this amount \$225,900 is reported as an intergovernmental payable.

## South Point Local School District, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

### Note 12 Defined Benefit Pension Plans (Continued)

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

The net pension liability disclosed as current year below was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's share of contributions to the pension plan relative to the projected contributions of all participating entities. Following is information related to the proportionate share:

	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Proportionate Share of the Net Pension Liability - Current Year	0.0750416%	0.070160160%	
Proportionate Share of the Net Pension Liability - Prior Year	<u>0.0748694%</u>	<u>0.068209548%</u>	
Change in Proportionate Share Proportion of the Net Pension Liability	<u>0.0001722%</u>	<u>0.001950612%</u>	
Pension Expense (Gain)	\$4,058,833	\$15,596,692	\$19,655,525
	\$294,128	\$1,936,366	\$2,230,494

At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Deferred Outflows of Resources</b>	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Differences between expected and actual economic experience	\$164,386	\$199,657	\$364,043
Difference from a change in proportion and differences between School District contributions and proportionate share of contributions	58,082	483,123	541,205
Changes of assumptions	40,049	1,866,455	1,906,504
Differences between projected and actual investment earnings	-	542,730	542,730
School District contributions subsequent to the measurement date	<u>361,522</u>	<u>1,366,964</u>	<u>1,728,486</u>
Total	<u>\$624,039</u>	<u>\$4,458,929</u>	<u>\$5,082,968</u>

<b>Deferred Inflows of Resources</b>	<u>SERS</u>	<u>STRS</u>	<u>Total</u>
Differences between expected and actual economic experience	\$26,645	\$59,662	\$86,307
Differences between projected and actual investment earnings	141,635	0	141,635
Changes of assumptions	-	1,404,904	1,404,904
Difference from a change in proportion and differences between School District contributions and proportionate share of contributions	<u>31,758</u>	<u>162,578</u>	<u>194,336</u>
Total	<u>\$200,038</u>	<u>\$1,627,144</u>	<u>\$1,827,182</u>

## South Point Local School District, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

---

### Note 12 – Defined Benefit Pension Plans (Continued)

#### Net Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions (Continued)

\$1,728,486 reported as deferred outflows of resources related to pension resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2024.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pension will be recognized in pension expense as follows:

	SERS	STRS	Total
Fiscal Year Ending June 30:			
2024	\$58,746	\$215,953	\$274,699
2025	(29,312)	50,471	21,159
2026	(202,328)	(383,360)	(585,688)
2027	235,373	1,581,757	1,817,130
Total	\$62,479	\$1,464,821	\$1,527,300

#### Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total pension liability in the latest actuarial valuation, prepared as of June 30, 2022, compared with June 30, 2021, are presented below:

## South Point Local School District, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

### Note 12 – Defined Benefit Pension Plans (Continued)

#### Actuarial Assumptions – SERS (Continued)

	June 30, 2022	June 30, 2021
Inflation	2.4 percent	2.4 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent	3.25 percent to 13.58 percent
COLA or Ad Hoc COLA	2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement	2.0 percent, on or after April 1, 2018, COLAs for future retirees will be delayed for three years following commencement
Investment Rate of Return	7.00 percent net of system expenses	7.00 percent net of system expenses
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)

Mortality rates for 2022 and 2021 were based on the PUB-2010 General Employee Amount Weight Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Future improvement in mortality rates is reflected by applying the MP-2020 projection scale generationally.

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

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



## South Point Local School District, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

### Note 12 – Defined Benefit Pension Plans (Continued)

#### Actuarial Assumptions – SERS (Continued)

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	-0.45%
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	<u>100.00 %</u>	

**Discount Rate** The total pension liability for 2022 was calculated using the discount rate of 7.00 percent. The discount rate for 2021 was 7.0 percent. The projection of cash flows used to determine the discount rate assumed the contributions from employers and from the members would be computed based on contribution requirements as stipulated by State statute. Projected inflows from investment earnings were calculated using the long-term assumed investment rate of return (7.00 percent). Based on those assumptions, the plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefits to determine the total pension liability.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$5,974,409	\$4,058,833	\$2,444,987

**Assumptions and Benefit Changes Since the Prior Measurement Date** - There were no changes in assumptions or benefit terms since the prior measurement date.

## South Point Local School District, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

---

### Note 12 – Defined Benefit Pension Plans (Continued)

#### Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2022, actuarial valuation compared to those used in the June 30, 2021, actuarial valuation are presented below:

	June 30, 2022	June 30, 2021
Inflation	2.50 %	2.50 %
Projected Salary Increases	Varies by service from 2.5 % to 8.50 %	12.50 % at age 20 to 2.50% at age 65
Payroll increases	3.00 %	3.00 %
COLA or Ad Hoc COLA	0.00 %	0.00 %
Discount rate of return	7.00 %	7.00 %
Investment Rate of Return	7.00 percent net of investment expenses, including inflation	7.00 percent net of investment expenses, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)

For the June 30, 2022 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For the June 30, 2021 actuarial valuations, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP- 2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

## South Point Local School District, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

### Note 12 – Defined Benefit Pension Plans (Continued)

#### Actuarial Assumptions – STRS (Continued)

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

Asset Class	Target Allocation *	Long-Term Expected Rate of Return**
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80 %
Alternatives	19.00	7.38 %
Fixed Income	22.00	1.75 %
Real Estate	10.00	5.75 %
Liquidity Reserves	1.00	1.00 %
Total	100.00 %	

\* Target allocation percentage is effective as of July 1, 2022.  
Target weights were phased in over a 3-month period concluding on October 1, 2022.

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

**Discount Rate** The discount rate used to measure the total pension liability was 7.00% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumes that member and employer contributions will be made at the statutory contribution rates in accordance with the rates described previously. For this purpose, only employer contributions that are intended to fund benefits of current plan members and their beneficiaries are included. Based on those assumptions, STRS Ohio’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on pension plan investments of 7.00% was applied to all periods of projected benefit payments to determine the total pension liability as of June 30, 2022.

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

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
School District's proportionate share of the net pension liability	\$23,560,924	\$15,596,692	\$8,861,418

**Changes Between the Measurement Date and the Reporting date** STRS approved a one-time 1.00% cost-of-living adjustment to eligible benefit recipients effective July 1, 2023. It is unknown what effect this change will have on the net pension liability.

## South Point Local School District, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

---

### NOTE 13 – DEFINED BENEFIT OPEB PLANS

See Note 12 for a description of the net OPEB liability (asset).

#### **School Employees Retirement System**

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

Access to health care for retirees and beneficiaries is permitted in accordance with Section 3309 of the Ohio Revised Code. The Health Care Fund was established and is administered in accordance with Internal Revenue Code Section 105(e). SERS' Retirement Board reserves the right to change or discontinue any health plan or program. Active employee members do not contribute to the Health Care Plan. The SERS Retirement Board established the rules for the premiums paid by the retirees for health care coverage for themselves and their dependents or for their surviving beneficiaries. Premiums vary depending on the plan selected, qualified years of service, Medicare eligibility, and retirement status.

Funding Policy - State statute permits SERS to fund the health care benefits through employer contributions. Each year, after the allocation for statutorily required pensions and benefits, the Retirement Board may allocate the remainder of the employer contribution of 14 percent of covered payroll to the Health Care Fund in accordance with the funding policy. For fiscal year 2023, no allocation of covered payroll was made to health care. An additional health care surcharge on employers is collected for employees earning less than an actuarially determined minimum compensation amount, pro-rated if less than a full year of service credit was earned. For fiscal year 2023, this amount was \$25,000. Statutes provide that no employer shall pay a health care surcharge greater than 2 percent of that employer's SERS-covered payroll; nor may SERS collect in aggregate more than 1.5 percent of the total statewide SERS-covered payroll for the health care surcharge. For fiscal year 2023, the School District's surcharge obligation was \$53,603.

The surcharge added to the allocated portion of the 14 percent employer contribution rate is the total amount assigned to the Health Care Fund. No portion of covered payroll was allocated to the Health Care Fund in 2023. The District's contractually required contribution to SERS was \$53,603 for fiscal year 2023. Of this amount, \$53,603 is reported as an intergovernmental payable.

#### **State Teachers Retirement System of Ohio**

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

## South Point Local School District, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

### NOTE 13 – DEFINED BENEFIT OPEB PLANS – Continued)

#### State Teachers Retirement System of Ohio (Continued)

Funding Policy – Ohio Revised Code Chapter 3307 authorizes STRS to offer the Plan and gives the Retirement Board discretionary authority over how much, if any, of the health care costs will be absorbed by STRS. Active employee members do not contribute to the Health Care Plan. All health care plan enrollees pay a portion of the health care costs in the form of a monthly premium. Under Ohio law, funding for post-employment health care may be deducted from employer contributions, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2023, STRS did not allocate any employer contributions to post-employment health care.

#### Net Other Post Employment Benefit (OPEB) Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Liability (Asset)

The net OPEB (asset) liability was measured as of June 30, 2022, and the total OPEB (asset) liability used to calculate the net OPEB (asset) liability was determined by an actuarial valuation as of that date. The District's proportion of the net OPEB (asset) liability was based on the District's share of contributions to the respective retirement systems relative to the contributions of all participating entities. Following is information related to the proportionate share and OPEB expense (gain):

	SERS	STRS	Total
Proportionate Share of the Net OPEB (Asset) Liability - Current Year	0.0768043%	0.070160160%	
Proportionate Share of the Net OPEB (Asset) Liability - Prior Year	0.0766309%	0.068209548%	
Change in Proportionate Share	0.0001734%	0.001950612%	
Proportion of the Net OPEB Liability	\$1,078,340	\$0	\$1,078,340
Proportion of the Net OPEB (Asset)	\$0	(\$1,816,680)	(\$1,816,680)
OPEB Expense (Gain)	(\$69,412)	(\$329,227)	(\$398,639)

**THIS SECTION INTENTIONALLY LEFT BLANK**

## South Point Local School District, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

### NOTE 13 – DEFINED BENEFIT OPEB PLANS – Continued)

#### Net Other Post Employment Benefit (OPEB) Liability (Asset), OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB Liability (Asset) (Continued)

At June 30, 2023, the School District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

<b>Deferred Outflows of Resources</b>	<b>SERS</b>	<b>STRS</b>	<b>Total</b>
Differences between expected and actual economic experience	\$9,065	\$26,335	\$35,400
Difference from a change in proportion and differences between School District contributions and proportionate share of contributions	125,472	26,104	151,576
Changes of assumptions	171,524	77,384	248,908
Differences between projected and actual investment earnings	5,604	31,624	37,228
School District contributions subsequent to the measurement date	53,603	-	53,603
<b>Total</b>	<b><u>\$365,268</u></b>	<b><u>\$161,447</u></b>	<b><u>\$526,715</u></b>
<b>Deferred Inflows of Resources</b>	<b>SERS</b>	<b>STRS</b>	<b>Total</b>
Differences between expected and actual economic experience	\$689,786	\$272,832	\$962,618
Changes of assumptions	442,667	1,288,201	1,730,868
Difference from a change in proportion and differences between School District contributions and proportionate share of contributions	35,575	14,502	50,077
<b>Total</b>	<b><u>\$1,168,028</u></b>	<b><u>\$1,575,535</u></b>	<b><u>\$2,743,563</u></b>

\$53,603 reported as deferred outflows of resources related to OPEB resulting from School District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability (adjustment to net OPEB asset) in the year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<b>SERS</b>	<b>STRS</b>	<b>Total</b>
Fiscal Year Ending June 30:			
2024	(\$195,356)	(\$418,524)	(\$613,880)
2025	(196,968)	(399,693)	(596,661)
2026	(171,882)	(192,845)	(364,727)
2027	(99,746)	(81,074)	(180,820)
2028	(67,231)	(106,482)	(173,713)
Thereafter	(125,180)	(215,470)	(340,650)
<b>Total</b>	<b><u>(\$856,363)</u></b>	<b><u>(\$1,414,088)</u></b>	<b><u>(\$2,270,451)</u></b>

## South Point Local School District, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

### NOTE 13 – DEFINED BENEFIT OPEB PLANS – Continued)

#### Actuarial Assumptions - SERS

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

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

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

Key methods and assumptions used in calculating the total OPEB liability in the latest actuarial valuation are presented below:

	June 30, 2022	June 30, 2021
Inflation	2.4 percent	2.4 percent
Future Salary Increases, including inflation	3.25 percent to 13.58 percent	3.25 percent to 13.58 percent
Investment Rate of Return	7.00 percent net of investment expense, including inflation	7.00 percent net of investment expense, including inflation
Actuarial Cost Method	Entry Age Normal (Level Percent of Payroll)	Entry Age Normal (Level Percent of Payroll)
Municipal Bond Index Rate:	3.69 %	1.92 %
Single Equivalent Interest Rate, Net of Plan Investment Expense, Including Price Inflation	4.08 %	2.27 %
Medical Trend Assumption	7.00 to 4.40 %	
Medicare	5.125 to 4.400 %	5.125 to 4.400 %
Pre-Medicare	6.750 to 4.400 %	6.750 to 4.400 %

For 2022 and 2021, mortality rates among healthy retirees were based on the PUB-2010 General Employee Amount Weighted Below Median Healthy Retiree mortality table projected to 2017 with ages set forward 1 year and adjusted 94.20 percent for males and set forward 2 years and adjusted 81.35 percent for females. Mortality among disabled members were based upon the PUB-2010 General Disabled Retiree mortality table projected to 2017 with ages set forward 5 years and adjusted 103.3 percent for males and set forward 3 years and adjusted 106.8 percent for females. Mortality rates for contingent survivors were based on PUB-2010 General Amount Weighted Below Median Contingent Survivor mortality table projected to 2017 with ages set forward 1 year and adjusted 105.5 percent for males and adjusted 122.5 percent for females. Mortality rates for actives is based on PUB-2010 General Amount Weighted Below Median Employee mortality table.

The most recent experience study was completed for the five year period ended June 30, 2020. The long-term expected rate of return on plan assets is reviewed as part of the actuarial five-year experience study. The most recent study covers fiscal years 2016 through 2020, and was adopted by the Board in 2021. Several factors are considered in

## South Point Local School District, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

### NOTE 13 – DEFINED BENEFIT OPEB PLANS – Continued)

#### Actuarial Assumptions – SERS (Continued)

evaluating the long-term rate of return assumption including long-term historical data, estimates inherent in current market data, and a log-normal distribution analysis in which best-estimate ranges of expected future real rates of return were developed by the investment consultant for each major asset class. These ranges were combined to produce the long-term expected rate of return, 7.00 percent, by weighting the expected future real rates of return by the target asset allocation percentage and then adding expected inflation. The capital market assumptions developed by the investment consultant are intended for use over a 10-year horizon and may not be useful in setting the long-term rate of return for funding pension plans which covers a longer timeframe. The assumption is intended to be a long-term assumption and is not expected to change absent a significant change in the asset allocation, a change in the inflation assumption, or a fundamental change in the market that alters expected returns in future years.

The target asset allocation and best estimates of arithmetic real rates of return for each major asset class, as used in the June 30, 2020 five-year experience study, are summarized as follows:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Cash	2.00 %	-0.45%
US Equity	24.75	5.37
Non-US Equity Developed	13.50	6.22
Non-US Equity Emerging	6.75	8.22
Fixed Income/Global Bonds	19.00	1.20
Private Equity	11.00	10.05
Real Estate/Real Assets	16.00	4.87
Multi-Asset Strategy	4.00	3.39
Private Debt/Private Credit	3.00	5.38
Total	100.00 %	

**Discount Rate** The discount rate used to measure the total OPEB liability at June 30, 2022 was 4.08 percent. The discount rate used to measure total OPEB liability prior to June 30, 2022, was 2.27 percent. The projection of cash flows used to determine the discount rate assumed that contributions will be made from members and the System at the contribution rate of 1.50 percent of projected covered payroll each year, which includes a 1.50 percent payroll surcharge and no contributions from the basic benefits plan. Based on these assumptions, the OPEB plan's fiduciary net position was projected to become insufficient to make all projected future benefit payments of current System members by SERS actuaries. The Municipal Bond Index Rate is used in the determination of the SEIR for both the June 30, 2022 and the June 30, 2021 total OPEB liability. The Municipal Bond Index rate is the single rate that will generate a present value of benefit payments equal to the sum of the present value determined by the long-term expected rate of return, and the present value determined by discounting those benefits after the date of depletion. The Municipal Bond Index Rate is 3.69 percent at June 30, 2022 and 1.92 percent at June 30, 2021.

**Sensitivity of the School District's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates** The net OPEB liability is sensitive to changes in the discount rate and the health care cost trend rate. The following table presents the net OPEB liability of SERS, what SERS' net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower (3.08%) and higher (5.08%) than the current discount rate (4.08%).

	1% Decrease (3.08%)	Current Discount Rate (4.08%)	1% Increase (5.08%)
School District's proportionate share of the net OPEB liability	\$1,339,315	\$1,078,340	\$867,663



## South Point Local School District, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

### NOTE 13 – DEFINED BENEFIT OPEB PLANS – Continued)

#### Actuarial Assumptions – SERS (Continued)

The following table presents the OPEB liability of SERS, what SERS' net OPEB liability would be based on health care cost trend rates that are 1 percentage point lower (6.00% decreasing to 3.40%) and higher (8.00% decreasing to 5.40%) than the current rate (7.00% decreasing to 4.40%).

	1% Decrease in Trend Rates	Current Trend Rate	1% Increase in Trend Rates
School District's proportionate share of the net OPEB liability	\$831,594	\$1,078,340	\$1,400,631

#### Actuarial Assumptions – STRS

Key methods and assumptions used in the June 30, 2022, actuarial valuation and the June 30, 2021 actuarial valuation are presented below:

	June 30, 2022		June 30, 2021	
Projected Salary Increases	Varies by service from 2.5 % to 8.50 %		12.50 % at age 20 to 2.50% at age 65	
Payroll increases	3.00 %		3.00 %	
Discount rate of return	7.00 %		7.00 %	
Investment Rate of Return	7.00 percent net of investment expenses, including inflation		7.00 percent net of investment expenses, including inflation	
Health care cost trends	Initial	Ultimate	Initial	Ultimate
Medical				
Pre-Medicare	7.50%	3.94%	5.00%	4.00%
Medicare	-68.78%	3.94%	-16.18%	4.00%
Prescription Drug				
Pre-Medicare	9.00%	3.94%	6.50%	4.00%
Medicare	-5.47%	3.94%	29.98%	4.00%

For the June 30, 2022 actuarial valuation, post-retirement mortality rates are based on the Pub-2010 Teachers Healthy Annuitant Mortality Table, adjusted 110% for males, projected forward generationally using mortality improvement scale MP-2020. Pre-retirement mortality rates are based on Pub-2010 Teachers Employee Table adjusted 95% for females, projected forward generationally using mortality improvement scale MP-2020. Post-retirement disabled mortality rates are based on Pub-2010 Teachers Disable Annuitant Table projected forward generationally using mortality improvement scale MP-2020.

For the June 30, 2021 actuarial valuations, post-retirement mortality rates for healthy retirees are based on the RP-2014 Annuitant Mortality Table with 50% of rates through age 69, 70% of rates between ages 70 and 79, 90% of rates between ages 80 and 84, and 100% of rates thereafter, projected forward generationally using mortality improvement scale MP-2016. Pre-retirement mortality rates are based on RP-2014 Employee Mortality Table, projected forward generationally using mortality improvement scale MP-2016. Post-retirement disabled mortality rates are based on the RP- 2014 Disabled Mortality Table with 90% of rates for males and 100% of rates for females, projected forward generationally using mortality improvement scale MP-2016.

## South Point Local School District, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

### NOTE 13 – DEFINED BENEFIT OPEB PLANS – Continued)

#### Actuarial Assumptions – STRS (Continued)

Actuarial assumptions used in the June 30, 2022 valuation are based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2021. An actuarial experience study is done on a quinquennial basis.

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

Asset Class	Target Allocation *	Long-Term Expected Rate of Return**
Domestic Equity	26.00 %	6.60 %
International Equity	22.00	6.80 %
Alternatives	19.00	7.38 %
Fixed Income	22.00	1.75 %
Real Estate	10.00	5.75 %
Liquidity Reserves	1.00	1.00 %
Total	100.00 %	

\* Target allocation percentage is effective as of July 1, 2022.

Target weights were phased in over a 3-month period concluding on October 1, 2022.

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

**Discount Rate** The discount rate used to measure the total OPEB liability was 7.00% as of June 30, 2022 and was 7.45% as of June 30, 2021. The projection of cash flows used to determine the discount rate assumed STRS Ohio continues to allocate no employer contributions to the health care fund. Based on these assumptions, the OPEB plan’s fiduciary net position was projected to be available to make all projected future benefit payments to current plan members as of June 30, 2022. Therefore, the long-term expected rate of return on health care fund investments of 7.00% was applied to all periods of projected health care costs to determine the total OPEB liability as of June 30, 2022.

**Sensitivity of the School District's Proportionate Share of the Net OPEB (Asset) Liability to Changes in the Discount Rate and Changes in the Health Care Cost Trend Rates** The following table represents the net OPEB liability as of June 30, 2022, calculated using the current period discount rate assumption of 7.00%, as well as what the net OPEB (asset) liability would be if it were calculated using a discount rate that is one percentage point lower (6.00%) or one percentage point higher (8.00%) than the current assumption. Also shown is the net OPEB (asset) liability as if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates.

## South Point Local School District, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

### NOTE 13 – DEFINED BENEFIT OPEB PLANS – Continued)

#### Actuarial Assumptions – STRS (Continued)

	1% Decrease in Discount Rate (6.00%)	Current Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
School District's proportionate share of the net OPEB (asset) liability	(\$1,679,473)	(\$1,816,680)	(\$1,934,210)
	1% Decrease in Trend Rates	Current Trend Rate	1% Increase in Trend Rates
School District's proportionate share of the net OPEB (asset) liability	(\$1,884,339)	(\$1,816,680)	(\$1,731,277)

**Assumption Changes Since the Prior Measurement Date** - The discount rate remained unchanged at 7.00% for the June 30, 2022 valuation.

**Benefit Term Changes Since the Prior Measurement Date** - Salary increase rates were updated based on the actuarial experience study for the period July 1, 2015 through June 30, 2021 and were changed from age based to service based.

### Note 14 - Employee Benefits

#### *Compensated Absences*

The criteria for determining vacation and sick leave benefits are derived from negotiated agreements and State laws. Classified employees and administrators who are contracted to work on a twelve month contract, earn ten to twenty days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers, administrators, and classified employees who are contracted to work less than 230 days per year do not earn vacation time.

Teachers, administrators, and classified employees earn sick leave at the rate of one and one-fourth days per month. There is no limit to the amount of sick leave that may be accumulated by classified employees. Teachers and administrators can accumulate up to a maximum of 375 days. Upon retirement, payment is made for one-half of the total sick leave accumulation, up to a maximum payment of 112.5 days for certified and classified employees.

#### **Deferred Compensation**

School District employees may participate in the Ohio Public Employees Deferred Compensation Plan. This plan was created in accordance with Internal Revenue Code Section 457. Participation is on a voluntary payroll deduction basis. The plan permits deferral of compensation until future years. According to the plan, the deferred compensation is not available until termination, retirement, death or an unforeseeable emergency.

## South Point Local School District, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

### Note 14 - Employee Benefits (Continued)

#### *Insurance Benefits*

Health insurance is provided by Anthem Inc. Premiums for this coverage are \$2,402 for family coverage and \$972 for single coverage. The School District pays 80 percent of both premiums for employees hired after July 1, 2002. The School District pays 100 percent of single premiums for employees hired before July 1, 2002.

The School District provides life insurance and accidental death and dismemberment insurance to certified, classified, and administrative employees through Guardian Insurance Company. The coverage amount is \$30,000 for certified and classified employees and \$50,000 for administrators.

Dental and vision insurance is provided by Guardian. Premiums for dental coverage are \$80 for family coverage and \$21 for single coverage. Premiums for vision coverage are \$11 for family coverage and \$5 for single coverage. The School District pays 100 percent of single coverage. Employees are responsible for the excess cost of the family premium.

### Note 15 - Long-Term Obligations

Changes in long-term obligations of the School District during fiscal year 2023 were as follows:

	Principal Outstanding 6/30/22	Additions	Deductions	Principal Outstanding 6/30/23	Amounts Due in One Year
<b>Governmental Activities:</b>					
2013 Refunding Bonds					
Serial Bonds - 1.75%-2.625%	\$1,570,000	\$0	\$1,570,000	\$0	\$0
Term bonds - 3.00%-3.25%	4,485,000	0	4,485,000	0	0
Premium on Bonds	471,238	0	471,238	0	0
2022 Refunding Bonds					
Lease Obligation	0	5,056,000	58,000	4,998,000	485,000
	0	345,671	0	345,671	169,904
	<u>6,526,238</u>	<u>5,401,671</u>	<u>6,584,238</u>	<u>5,343,671</u>	<u>654,904</u>
Net Pension Liability:					
STRS	8,721,204	6,875,488	0	15,596,692	0
SERS	2,762,464	1,296,369	0	4,058,833	0
Total Net Pension Liability	<u>11,483,668</u>	<u>8,171,857</u>	<u>0</u>	<u>19,655,525</u>	<u>0</u>
Net OPEB Liability:					
SERS	<u>1,450,303</u>	<u>0</u>	<u>371,963</u>	<u>1,078,340</u>	<u>0</u>
Compensated Absences	<u>2,035,727</u>	<u>1,380,984</u>	<u>1,450,380</u>	<u>1,966,331</u>	<u>40,298</u>
Total Governmental Activities Long-Term Liabilities	<u>\$21,495,936</u>	<u>\$14,954,512</u>	<u>\$8,406,581</u>	<u>\$28,043,867</u>	<u>\$695,202</u>

Compensated absences will be paid from the General Fund. There are no repayment schedules for the net pension and net OPEB liabilities. However, employer pension/OPEB contributions are made from the following funds: General Fund, and the Food Service, Title I, IDEA-B, and Title II-A Special Revenue Funds. See Notes 12 and 13 for additional information related to net pension and net OPEB liabilities.

## South Point Local School District, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

### Note 15 - Long-Term Obligations (Continued)

**2022 Refunding Bonds** – On March 14, 2022 resolution, the School District issued \$5,056,000 General Obligation Unlimited Tax Refunding Bonds, Series 2022 to current refund General Obligation Unlimited Tax Refunding Bonds, Series 2013 in the aggregate outstanding principal amount of \$5,545,000. In addition, the School District’s Bond Retirement Fund contributed an amount of \$622,814 to assist in the refunding. The economic gain from this refunding was \$190,893. The Bonds have a final maturity of December 1, 2031 and are subject to annual mandatory principal payments. The Bonds have an interest rate of 2.12% payable on June 1 and December 1 of each year beginning December 1, 2022 until all principal thereof has been paid.

Principal and interest requirements to retire the general obligation bonds outstanding at June 30, 2023, were as follows:

Fiscal Year	Refunding Bonds	
	Principal	Interest
2024	\$485,000	\$100,817
2025	493,000	90,451
2026	514,000	79,776
2027	528,000	68,731
2028	537,000	57,442
2029-2032	2,441,000	104,633
Totals	\$4,998,000	\$501,850

**2023 Lease Obligation** – During the 2023 fiscal year, the School District entered into a lease obligation agreement for Chromebooks with Dell Services.

The lease obligation payments are paid from the ESSER Fund. Future payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2024	\$ 169,904	\$ 11,927	\$ 181,831
2025	175,767	13,192	188,959
Total	\$ 345,671	\$ 25,119	\$ 370,790

The overall debt margin of the School District was \$158,693,764, with an unvoted debt margin of \$1,818,797 at June 30, 2023.

## South Point Local School District, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

---

### Note 16 - Interfund Activity

#### *Interfund Balances*

As of June 30, 2023, receivables and payables that resulted from various interfund transactions were as follows:

	<u>Receivable</u>	<u>Payable</u>
Major Funds:		
General Fund	<u>\$821,179</u>	<u>\$0</u>
Elementary Secondary School Emergency Relief	0	399,649
Other Nonmajor Governmental Funds:		
Miscellaneous Federal Grants	0	337,395
Broadband Connectivity	0	9,780
Title I	0	74,355
Total Other Nonmajor Governmental Funds	<u>0</u>	<u>421,530</u>
Total All Funds	<u>\$821,179</u>	<u>\$821,179</u>

### Note 17 - Jointly Governed Organizations

#### *Metropolitan Educational Technology Association (META)*

The School District participates in the Metropolitan Educational Technology Association (META), formed from the merger of the Metropolitan Educational Council (MEC) and the South Central Ohio Computer Association Regional Council of Governments (SCOCARCoG) during fiscal year 2016, which is a jointly governed organization, created as a regional council of governments pursuant to Chapter 167 of the Ohio Revised Code. META operates as, and has all the powers of, a data acquisition site/information technology center pursuant to applicable provisions of the Ohio Revised Code. The organization was formed for the purpose of identifying, developing, and providing to members and nonmembers innovative educational and technological services and products, as well as expanded opportunities for cooperative purchasing. The General Assembly of META consists of one delegate from every member school district. The delegate is the superintendent of the school district or the superintendent's designee. The degree of control exercised by any participating school district is limited to its representation on the General Assembly. The General Assembly exercises total control over the operation of META including budgeting, appropriating, contracting, and designating management. During 2023, the School District paid \$29,018 for services with META. Financial information can be obtained from META at 100 Executive Drive, Marion, Ohio 43302.

#### *Collins Career Center*

Collins Career Center is a distinct political subdivision of the State of Ohio operated under the direction of a Board consisting of one representative from Chesapeake Union Exempted Village School District, two from the Ironton City School District, and two from the Lawrence County Educational Service Center,

## **South Point Local School District, Ohio**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

---

### **Note 17 - Jointly Governed Organizations (Continued)**

which possesses its own budgeting and taxing authority. South Point Local School District made no payments to the Career Center in fiscal year 2023. To obtain financial information write to the Collins Career Center, 11627 State Route 243, Chesapeake, OH 45619.

#### ***The Educational Regional Service System (ERSS) Region 15***

The Educational Regional Service System (ERSS) Region 15 is a jointly governed organization consisting of educational entities within Lawrence, Pike, Scioto, and Ross counties. The purpose of the ERSS is to provide support services to school districts, community schools, and chartered nonpublic schools within the region by supporting State and school initiatives and efforts to improve school effectiveness and student achievement with a specific reference to the provision of special education and related services. The ERSS is governed by an advisory council, which is the policymaking body for the educational entities within the region, who identifies regional needs and priorities for educational services and develops corresponding policies to coordinate the delivery of services. The Advisory Council is made up of the director of the ERSS, the superintendent of each educational service center within the region, the superintendent of the region's largest and smallest school district, the director and an employee from each education technology center, one representative of a four-year institution of higher education and appointed by the Ohio Board of Regents, one representative of a two-year institution of higher education and appointed by the Ohio Association of Community Colleges, three board of education members (one each from a city, exempted village, and local school district within the region), and one business representative. The degree of control exercised by any participating educational entity is limited to its representation on the Advisory Council. Financial information can be obtained from the South Central Educational Service Center, 411 Court Street, Portsmouth, Ohio 45662.

### **Note 18 - Insurance Purchasing Pools**

#### ***Ohio School Plan***

The School District participates in the Ohio School Plan (OSP), an insurance purchasing pool. The Ohio School Plan (OSP) is created and organized pursuant to and as authorized by Section 2744.081 of the Ohio Revised Code. The OSP is an unincorporated, non-profit association of its members and an instrumentality for each member for the purpose of enabling members of the Plan to provide for a formalized, joint insurance purchasing program to maintain adequate insurance protection, risk management programs and other administrative services. The OSP's business and affairs are conducted by a fifteen member Board of directors consisting of school district superintendents and treasurers, as well as the president of Harcum-Hyre Insurance Agency, Inc. and a partner of the Hylant Group, Inc. Hylant Group, Inc. is the Administrator of the OSP and is responsible for processing claims. Harcum-Hyre Insurance Agency, Inc. is the sales and marketing representative, which establishes agreements between OSP and member schools.

#### ***Lawrence County Schools Council of Governments Health Benefits Program***

The School District participates in the Lawrence County Schools Council of Governments Health Benefits Program (Council), a shared risk pool created pursuant to State statute for the purpose of administering health care benefits. The Council is governed by a council, which consists of the superintendent from each participating school district. The council elects officers for one-year terms to serve on the Board of Directors. The council exercises control over the operation of the Council. All council revenues are generated from charges for services received from the participating school districts, based on the established premiums for the insurance plans. The Lawrence County Educational Service Center is the fiscal agent of

## South Point Local School District, Ohio

Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023

---

### Note 18 - Insurance Purchasing Pools (Continued)

the council. Each School District reserves the right to withdraw from the plan. If this is done, no further contributions will be made and the school district's net pooled share will be distributed and all claims submitted by covered members of the school district after the distribution will be exclusively the liability of the school district.

### *Ohio School Boards Association Workers' Compensation Group Rating Program (GRP)*

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

### Note 19 - Set-Aside Calculations

The School District is required by State statute to annually set aside in the General Fund an amount based on a statutory formula for the acquisition and construction of capital improvements. Amounts not spent by fiscal year end or offset by similarly restricted resources received during the fiscal year must be held in cash at fiscal year end and carried forward to be used for the same purposes in future fiscal years. In prior fiscal years, the School District was also required to set aside money for budget stabilization and textbooks.

Effective April 10, 2001, through Amended Substitute Senate Bill 345, the requirements for school districts to establish and appropriate money for the budget stabilization was deleted from law. A school district may still establish reserve balance accounts consistent with Section 5705.13, Revised Code, if it so chooses; however, the requirement is no longer mandatory. In addition, any money on hand in a school district's budget reserve set-aside as of April 10, 2001, may at the discretion of the board of education be returned to the school district's general fund or may be left in the account and used by the board to offset any budget deficit the district may experience in future fiscal years. The bill placed special conditions on any Bureau or Workers' Compensation monies remaining in the budget reserve.

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

	<u>Capital Improvements</u>
Set-Aside Reserve Balance as of as of June 30, 2022	\$326,713
Current Year Set-Aside Requirement	316,331
Current Year Qualifying Expenditures	(146,542)
Current Year Offsets	<u>(67,090)</u>
Totals	<u>\$429,412</u>
Set-Aside Balance Carried Forward to Future Fiscal Years	<u>\$429,412</u>



## **South Point Local School District, Ohio**

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

---

### **Note 20 - Contingencies**

#### ***Grants***

The School District received financial assistance from federal and state agencies in the form of grants. The expenditure of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the General Fund or other applicable funds. However, the effect of any such disallowed claims on the overall financial position of the School District at June 30, 2023, if applicable, cannot be determined at this time.

#### ***Litigation***

At June 30, 2023, the School District was not party to any legal proceedings.

#### ***State Foundation***

In fiscal year 2023, School District foundation funding was based on the annualized full-time equivalent (FTE) enrollment of each student. The Ohio Department of Education (ODE) is legislatively required to adjust/reconcile funding as enrollment information is updated by schools throughout the State, which can extend past the fiscal year end. As of the date of this report, additional ODE adjustments for fiscal year 2023 are finalized. No additional receivable was recorded for fiscal year 2023.

### **Note 21 - COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio's state of emergency ended in June of 2021 while the national state of emergency ended during fiscal year 2023. During fiscal year 2023, the School District received COVID-19 funding. The financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the School District. In addition, the impact on the School District's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated. Additional funding has been made available through the Consolidated Appropriations Act, 2021, passed by Congress on December 21, 2020, and/or the American Rescue Plan Act, passed by Congress on March 11, 2021.

## South Point Local School District, Ohio

*Notes to the Basic Financial Statements  
For the Fiscal Year Ended June 30, 2023*

### Note 22 – Fund Balances

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

Fund Balances	General	Bond Retirement	ESSER	Nonmajor Governmental Funds	Total Governmental Funds
<b>Restricted for</b>					
Other Purposes	\$ -	\$ -	\$ -	\$ 162,161	\$ 162,161
Set-Asides	429,412	-	-	-	429,412
Debt Services Payments	-	815,349	-	-	815,349
Facilities Maintenance	-	-	-	550,620	550,620
<b>Total Restricted</b>	<u>429,412</u>	<u>815,349</u>	<u>-</u>	<u>712,781</u>	<u>1,957,542</u>
<b>Committed to</b>					
Severance	399,580	-	-	-	399,580
Health Insurance	105,289	-	-	-	105,289
<b>Total Committed</b>	<u>504,869</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>504,869</u>
<b>Assigned to</b>					
Other Purposes	160,203	-	-	-	160,203
<b>Total Assigned</b>	<u>160,203</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>160,203</u>
<b>Unassigned (Deficit)</b>	<u>4,339,364</u>	<u>-</u>	<u>(53,310)</u>	<u>(226,821)</u>	<u>4,059,233</u>
<b>Total Fund Balances</b>	<u>\$ 5,433,848</u>	<u>\$ 815,349</u>	<u>\$ (53,310)</u>	<u>\$ 485,960</u>	<u>\$ 6,681,847</u>

### Note 23 – Restatement of Beginning Net Position

The School District had an independent appraisal conducted of their capital assets for fiscal year 2023 which resulted in adjustments to their capital assets balances and related accumulated depreciation as previously reported. The effect of these adjustments are reflected in net position as noted below:

Net Position, June 30, 2022 – As Previously Stated	\$22,505,831
Adjustments for Capital Asset Reappraisal	( 2,122,351)
Net Position, July 1, 2022 – As Restated	<u>\$20,383,480</u>

### Note 24 – Subsequent Event

The School District participates in the Lawrence County Schools Council of Governments Health Benefits Program (Council). On May 1, 2024, the Council stopped utilizing Anthem Blue Cross Blue Shield as the third-party administrator for medical insurance and joined Jefferson Health Plan.

**THIS PAGE INTENTIONALLY LEFT BLANK**

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's proportion of the net pension liability	0.0750416%	0.0748694%	0.0700790%	0.0712440%	0.0708914%	0.0687981%	0.0712851%	0.0735470%	0.0749780%	0.0749780%
School District's proportionate share of the net pension liability	\$ 4,058,833	\$ 2,762,464	\$ 4,635,173	\$ 4,262,653	\$ 4,060,082	\$ 4,110,534	\$ 5,217,412	\$ 4,196,663	\$ 3,794,594	\$ 4,458,701
School District's covered payroll	\$ 2,798,957	\$ 2,551,086	\$ 2,464,886	\$ 2,468,326	\$ 2,301,481	\$ 2,264,357	\$ 2,243,571	\$ 2,210,395	\$ 2,231,970	\$ 1,984,289
School District's proportionate share of the net pension liability as a percentage of its covered payroll	145.01%	108.29%	188.05%	172.69%	176.41%	181.53%	232.55%	189.86%	170.01%	224.70%
Plan fiduciary net position as a percentage of the total pension liability	82.86%	82.86%	68.55%	70.85%	71.36%	69.50%	62.98%	69.16%	71.70%	65.52%

See accompanying notes to the required supplementary information.

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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
School District's proportion of the net pension liability	0.070160160%	0.068209548%	0.06936476%	0.06779820%	0.06570720%	0.06413937%	0.06577384%	0.06673954%	0.06768855%	0.06768855%
School District's proportionate share of the net pension liability	\$ 15,596,692	\$ 8,721,204	\$ 16,783,804	\$ 14,993,164	\$ 14,447,538	\$ 15,236,445	\$ 22,016,487	\$ 18,444,857	\$ 16,464,198	\$ 19,612,044
School District's covered payroll	\$ 9,121,150	\$ 8,400,414	\$ 8,461,100	\$ 8,021,829	\$ 7,544,979	\$ 7,077,121	\$ 6,932,721	\$ 6,982,421	\$ 6,933,943	\$ 6,818,932
School District's proportionate share of the net pension liability as a percentage of its covered payroll	170.99%	103.82%	198.36%	186.90%	191.49%	215.29%	317.57%	264.16%	237.44%	287.61%
Plan fiduciary net position as a percentage of the total pension liability	87.78%	87.78%	75.50%	77.40%	77.30%	75.30%	66.80%	72.10%	74.70%	69.30%

See accompanying notes to the required supplementary information.

**South Point Local School District**  
*Required Supplementary Information*  
*Schedule of School District Pension Contributions*  
*School Employees Retirement System of Ohio*  
*Last Ten Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 361,522	\$ 391,854	\$ 357,152	\$ 345,084	\$ 333,224	\$ 310,700	\$ 317,010	\$ 314,100	\$ 291,330	\$ 309,351
Contributions in relation to the contractually required contribution	<u>(361,522)</u>	<u>(391,854)</u>	<u>(357,152)</u>	<u>(345,084)</u>	<u>(333,224)</u>	<u>(310,700)</u>	<u>(317,010)</u>	<u>(314,100)</u>	<u>(291,330)</u>	<u>(309,351)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	\$ 2,582,300	\$ 2,798,957	\$ 2,551,086	\$ 2,464,886	\$ 2,468,326	\$ 2,301,481	\$ 2,264,357	\$ 2,243,571	\$ 2,210,395	\$ 2,231,970
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	13.50%	13.50%	14.00%	14.00%	13.18%	13.86%

See accompanying notes to the required supplementary information.

**South Point Local School District**  
*Required Supplementary Information*  
*Schedule of School District Pension Contributions*  
*State Teachers Retirement System of Ohio*  
*Last Ten Years*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
Contractually required contribution	\$ 1,366,964	\$ 1,276,961	\$ 1,176,058	\$ 1,184,554	\$ 1,123,056	\$ 1,056,297	\$ 990,797	\$ 970,581	\$ 977,539	\$ 901,413
Contributions in relation to the contractually required contribution	<u>(1,366,964)</u>	<u>(1,276,961)</u>	<u>(1,176,058)</u>	<u>(1,184,554)</u>	<u>(1,123,056)</u>	<u>(1,056,297)</u>	<u>(990,797)</u>	<u>(970,581)</u>	<u>(977,539)</u>	<u>(901,413)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District covered payroll	\$ 9,764,029	\$ 9,121,150	\$ 8,400,414	\$ 8,461,100	\$ 8,021,829	\$ 7,544,979	\$ 7,077,121	\$ 6,932,721	\$ 6,982,421	\$ 6,933,943
Contributions as a percentage of covered payroll	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	14.00%	13.00%

See accompanying notes to the required supplementary information.

**South Point Local School District**  
*Required Supplementary Information*  
*Schedule of the School District's Proportionate Share of the Net OPEB Liability*  
*School Employees Retirement System of Ohio*  
*Last Seven Years (1)*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
School District's proportion of the net OPEB liability	0.0768043%	0.0766309%	0.0703394%	0.0712446%	0.0716529%	0.0696164%	0.0719499%
School District's proportionate share of the net OPEB liability	\$ 1,078,340	\$ 1,450,303	\$ 1,528,705	\$ 1,791,652	\$ 1,987,845	\$ 1,868,321	\$ 2,050,838
School District's covered payroll	\$ 2,798,957	\$ 2,551,086	\$ 2,464,886	\$ 2,468,326	\$ 2,301,481	\$ 2,264,357	\$ 2,243,571
School District's proportionate share of the net OPEB liability as a percentage of its covered payroll	38.53%	56.85%	62.02%	72.59%	86.37%	82.51%	91.41%
Plan fiduciary net position as a percentage of the total OPEB liability	24.08%	24.08%	18.17%	15.57%	13.57%	12.46%	11.49%

(1) Information prior to 2017 is not available.  
Amounts presented as of the School District's measurement date which is the prior fiscal year.

See accompanying notes to the required supplementary information.



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

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
School District's proportion of the net OPEB liability (asset)	0.070160160%	0.068209548%	0.06936476%	0.06779820%	0.06570720%	0.06413937%	0.06577384%
School District's proportionate share of the net OPEB liability (asset)	\$ (1,816,680)	\$ (1,438,142)	\$ (1,219,084)	\$ (1,122,901)	\$ (1,055,848)	\$ 2,502,482	\$ 3,517,602
School District's covered payroll	\$ 9,121,150	\$ 8,400,414	\$ 8,461,100	\$ 8,021,829	\$ 7,544,979	\$ 7,077,121	\$ 6,932,721
School District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	-19.92%	-17.12%	-14.41%	-14.00%	-13.99%	35.36%	50.74%
Plan fiduciary net position as a percentage of the total OPEB liability	174.73%	174.73%	182.13%	174.74%	176.00%	47.11%	37.33%

(1) Information prior to 2017 is not available.  
Amounts presented as of the School District's measurement date which is the prior fiscal year.

See accompanying notes to the required supplementary information.

**South Point Local School District**  
*Required Supplementary Information*  
*Schedule of School District OPEB Contributions*  
*School Employees Retirement System of Ohio*  
*Last Eight Years (1)*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ 53,603	\$ 50,534	\$ 46,600	\$ 33,924	\$ 47,549	\$ 49,034	\$ 37,028	\$ 35,164
Contributions in relation to the contractually required contribution	<u>(53,603)</u>	<u>(50,534)</u>	<u>(46,600)</u>	<u>(33,924)</u>	<u>(47,549)</u>	<u>(49,034)</u>	<u>(37,028)</u>	<u>(35,164)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District's covered payroll	\$ 2,582,300	\$ 2,798,957	\$ 2,551,086	\$ 2,464,886	\$ 2,468,326	\$ 2,301,481	\$ 2,264,357	\$ 2,243,571
Contributions as a percentage of covered payroll	2.08%	1.81%	1.83%	1.38%	1.93%	2.13%	1.64%	1.57%

(1) Information prior to 2016 is not available.

See accompanying notes to the required supplementary information.

**South Point Local School District**  
*Required Supplementary Information*  
*Schedule of School District OPEB Contributions*  
*State Teachers Retirement System of Ohio*  
*Last Eight Years (1)*

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Contractually required contribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Contributions in relation to the contractually required contribution	-	-	-	-	-	-	-	-
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
School District covered payroll	\$ 9,764,029	\$ 9,121,150	\$ 8,400,414	\$ 8,461,100	\$ 8,021,829	\$ 7,544,979	\$ 7,077,121	\$ 6,932,721
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%

(1) Information prior to 2016 is not available.

See accompanying notes to the required supplementary information.

**South Point Local School District**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

---

**Pension**

**School Employees Retirement System (SERS)**

Changes in benefit terms

2023: There were no changes in benefit terms from the amounts reported for this fiscal year.

2022: For fiscal year 2022, SERS changed from a Cost of Living Adjustment (COLA) of 2.5% to 2.0%.

2020-2021: There were no changes in benefit terms from the amounts reported for this fiscal year.

2019: With the authority granted the Board under Senate Bill 8, the Board has enacted a three-year COLA delay for future benefit recipients commencing benefits on or after April 1, 2018.

2018: SERS changed from a fixed 3% annual increase to a Cost of Living Adjustment (COLA) based on the change in the Consumer Price Index (CPI-W), with a cap of 2.5% and a floor of 0%.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in assumptions

2023: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this fiscal year.

2022: The assumed rate of inflation was reduced from 3.00% to 2.40%, the assumed real wage growth was increased from 0.50% to 0.85%, the cost-of-living adjustments were reduced from 2.50% to 2.00%, the discount rate was reduced from 7.50% to 7.00%, the rates of withdrawal, compensation, participation, spouse coverage assumption, retirement, and disability were updated to reflect recent experience, and mortality among active members, service retirees and beneficiaries and disabled members were updated.

2018-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2017: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females,
- (6) Mortality among service retired members, and beneficiaries was updated to the following RP-2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates,
- (7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement, and
- (8) The discount rate was reduced from 7.75% to 7.50%.

2014-2016: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

**South Point Local School District**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

---

**Pension (continued)**

**State Teachers Retirement System (STRS)**

Changes in benefit terms

2019-2023: There were no changes in benefit terms from the amounts reported for these fiscal years.

2018: STRS decreased the Cost of Living Adjustment (COLA) to zero.

2014-2017: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in assumptions

2023: The following change of assumptions affected the total pension liability since the prior measurement date:

- (1) The projected salary increases went from 12.50% at age 20 to 2.50% at age 65 to varies by service from 2.50% to 8.50%.

2022: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The long term expected rate of return was reduced from 7.45% to 7.00%,
- (2) The discount rate of return was reduced from 7.45% to 7.00%,

2019-2021: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

2018: The following changes of assumptions affected the total pension liability since the prior measurement date:

- (1) The long term expected rate of return was reduced from 7.75% to 7.45%,
- (2) The inflation assumption was lowered from 2.75% to 2.50%,
- (3) The payroll growth assumption was lowered to 3.00%,
- (4) Total salary increases rate was lowered by decreasing the merit component of the individual salary increases, in addition to a decrease of 0.25% due to lower inflation,
- (5) The healthy and disabled mortality assumptions were updated to the RP-2014 mortality tables with generational improvement scale MP-2016, and
- (6) Rates of retirement, termination and disability were modified to better reflect anticipated future experience.

2014-2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for these fiscal years.

**OPEB**

**School Employees Retirement System (SERS)**

Changes in benefit terms

2017-2023: There were no changes in benefit terms from the amounts reported for these fiscal years.

Changes in assumptions

2023 Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) The municipal bond index rate went from 1.92% to 3.69%
- (2) The single equivalent interest rate when from 2.27% to 4.08% medical trend assumptions went from 5.125% to 4.40% Medicare and 6.75% to 4.40% Pre-Medicare

**South Point Local School District**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

---

**OPEB (continued)**

**School Employees Retirement System (SERS) (continued)**

**Changes in assumptions (continued)**

2022 Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Wage inflation decreased from 3.00% to 2.40%
- (2) Future salary increases changed from 3.50%-18.20% to 3.25%-13.58%
- (3) Investment rate of return decreased from 7.50% to 7.00%
- (4) The discount rate decreased from 7.50% to 7.00%
- (5) Municipal Bond Index Rate:
  - Prior Measurement Date 2.45%
  - Measurement Date 1.92%
- (6) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
  - Prior Measurement Date 2.63%
  - Measurement Date 2.27%
- (7) Mortality tables changes from the RP=2014 Blue Collar mortality table to the PUB-2010 General Employee Amount Weighted Below median Health Retiree mortality table.

2021: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) The discount rate was changed from 3.22% to 2.63%
- (2) Municipal Bond Index Rate:
  - Prior Measurement Date 3.13%
  - Measurement Date 2.45%

2020: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) The discount rate was changed from 3.70% to 3.22%
- (2) Municipal Bond Index Rate:
  - Prior Measurement Date 3.62%
  - Measurement Date 3.13%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
  - Prior Measurement Date 3.70%
  - Measurement Date 3.22%

2019: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) The discount rate was changed from 3.63% to 3.70%
- (2) Municipal Bond Index Rate:
  - Prior Measurement Date 3.56%
  - Measurement Date 3.62%
- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
  - Prior Measurement Date 3.63%
  - Measurement Date 3.70%

2018: Amounts reported for the fiscal year incorporate changes in key methods and assumptions used in calculating the total OPEB liability as presented below:

- (1) Discount Rate:
  - Fiscal Year 2018 3.63%
  - Fiscal Year 2017 2.98%
- (2) Municipal Bond Index Rate:
  - Fiscal Year 2018 3.56%
  - Fiscal Year 2017 2.92%

**South Point Local School District**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

---

**OPEB (continued)**

**School Employees Retirement System (SERS) (continued)**

**Changes in assumptions (continued)**

- (3) Single Equivalent Interest Rate, net of plan investment expense, including price inflation:
- Fiscal Year 2018 3.63%
  - Fiscal Year 2017 2.98%

2017: The following changes of assumptions affected the total OPEB liability since the prior measurement date:

- (1) The assumed rate of inflation was reduced from 3.25% to 3.00%,
- (2) Payroll growth assumption was reduced from 4.00% to 3.50%,
- (3) Assumed real wage growth was reduced from 0.75% to 0.50%,
- (4) Rates of withdrawal, retirement and disability were updated to reflect recent experience,
- (5) Mortality among active members was updated to RP-2014 Blue Collar Mortality Table with fully generational projection and a five year age set-back for both males and females,
- (6) Mortality among service retired members, and beneficiaries was updated to the following RP- 2014 Blue Collar Mortality Table with fully generational projection with Scale BB, 120% of male rates, and 110% of female rates, and
- (7) Mortality among disabled members was updated to RP-2000 Disabled Mortality Table, 90% for male rates and 100% for female rates, set back five years is used for the period after disability retirement.

**State Teachers Retirement System (STRS)**

**Changes in benefit terms**

2023: There were no changes in benefit terms from the amounts reported for this fiscal year.

2022: There was no change to the claims costs process. The non-Medicare subsidy percentage was increased effective January 1, 2022 from 2.055 percent to 2.1 percent per year of service. The non-Medicare frozen subsidy base premium was increased effective January 1, 2022. The Medicare Part D Subsidy was updated to reflect it is expected to be negative in CY 2022. The Part B monthly reimbursement elimination date was postponed indefinitely.

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

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

2019: The subsidy multiplier for non-Medicare benefit recipients was increased from 1.900% to 1.944% per year of service effective January 1, 2019. The non-Medicare frozen subsidy base premium was increased effective January 1, 2019 and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2020. The Board is extending the current Medicare Part B partial reimbursement program for one year. Under this program, benefit recipients currently enrolled in the STRS Ohio Health Care Program and Medicare Part B receive \$29.90 per month to reimburse a portion of the Medicare Part B premium. The reimbursement was set to be reduced to \$0 beginning January 1, 2020. This impacts about 85,000 benefit recipients.

**South Point Local School District**  
*Notes to the Required Supplementary Information*  
*For the Fiscal Year Ended June 30, 2023*

---

**OPEB (continued)**

**State Teachers Retirement System (STRS) (Continued)**

Changes in benefit terms (continued)

2018: The subsidy multiplier for non-Medicare benefit recipients was reduced from 2.1 percent to 1.9 percent per year of service. Medicare Part B premium reimbursements were discontinued for certain survivors and beneficiaries and all remaining Medicare Part B premium reimbursements will be discontinued beginning January 1, 2019.

2017: There were no changes in benefit terms from the amounts reported for this fiscal year.

Changes in assumptions

2023: The projected salary increase went from 12.50% at age 20 to 2.50% at age 65 to varies by services from 2.50% to 8.50%. The health care cost trend rates were changed to the following: Pre-Medicare from 5.00% initial - 4.00% ultimate to 7.50% initial - 3.94% ultimate; medical Medicare from -16.18% initial - 4.00% ultimate to -68.78% initial - 3.94% ultimate; prescription drug Pre-Medicare from 6.50% initial - 4.00% ultimate to 9.00% initial - 3.94% ultimate; Medicare from 29.98% initial - 4.00% ultimate to -5.47% initial - 3.94% ultimate.

2022: The long-term expected rate of return was reduced from 7.45% to 7.00%. The discount rate was reduced from 7.45% in the prior year to 7.00% in the current year. The health care cost trend rates were changed to the following: medical Medicare from -6.69% initial - 4.00% ultimate down to -16.18% initial - 4.00% ultimate; prescription drug Medicare from 11.87% initial - 4.00% ultimate up to 29.98% initial - 4.00% ultimate.

2021: The health care cost trend rates were changed to the following: medical pre-Medicare from 5.87% initial - 4.00% ultimate down to 5.00% initial - 4.00% ultimate; medical Medicare from 4.93% initial - 4.00% ultimate down to -6.69% initial - 4.00% ultimate; prescription drug pre-Medicare from 7.73% initial - 4.00% ultimate down to 6.50% initial - 4.00% ultimate; prescription drug Medicare from 9.62% initial - 4.00% ultimate up to 11.87% initial - 4.00% ultimate.

2020: The health care cost trend rates were changed to the following: medical pre-Medicare from 6.00% initial - 4.00% ultimate down to 5.87% initial - 4.00% ultimate; medical Medicare from 5.00% initial - 4.00% ultimate down to 4.93% initial - 4.00% ultimate; prescription drug pre-Medicare from 8.00% initial - 4.00% ultimate down to 7.73% initial - 4.00% ultimate and (5.23%) initial - 4.00% ultimate up to 9.62% initial - 4.00% ultimate.

2019: The discount rate was increased from the blended rate of 4.13% to the long-term expected rate of return of 7.45% based on the methodology defined under GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans (OPEB). Valuation year per capita health care costs were updated.

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

2017: There were no changes in methods and assumptions used in the calculation of actuarial determined contributions for this fiscal year.



**SOUTH POINT LOCAL SCHOOL DISTRICT  
LAWRENCE COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
FOR THE YEAR ENDED JUNE 30, 2023**

<b>FEDERAL GRANTOR Pass Through Grantor Program / Cluster Title</b>	<b>Pass Through Entity Number</b>	<b>Federal AL Number</b>	<b>Pass Through Grant Year</b>	<b>Passed Through to Subrecipients</b>	<b>Total Federal Expenditures</b>
<b>U.S. DEPARTMENT OF AGRICULTURE</b>					
<i>Passed Through Ohio Department of Education</i>					
Child Nutrition Cluster:					
Non-Cash Assistance (Food Distribution):					
National School Lunch Program	N/A	10.555	2022-2023	\$ 0	\$ 59,212
Cash Assistance:					
School Breakfast Program	N/A	10.553	2022-2023	0	225,320
National School Lunch Program	N/A	10.555	2020-2021	0	633,625
COVID-19 National School Lunch Program	N/A	10.555	2022-2023	0	50,039
Total Child Nutrition Cluster				0	968,196
Pandemic EBT Administrative Costs - COVID-19	N/A	10.649		0	3,135
Total U.S. Department of Agriculture				0	971,331
<b>U.S. DEPARTMENT OF EDUCATION</b>					
<i>Passed Through Ohio Department of Education</i>					
Title I Grants to Local Educational Agencies	N/A	84.010	2022	0	90,065
Title I Grants to Local Educational Agencies	N/A	84.010	2023	0	817,192
Total Title I Grants to Local Educational Agencies				0	907,257
Special Education Cluster:					
Special Education Grants to States	N/A	84.027	2022	0	126,839
Special Education Grants to States	N/A	84.027	2023	0	268,799
COVID-19 Special Education Grants to States	N/A	84.027X	2023	0	28,285
Total Special Education Grants to States				0	423,923
Special Education Preschool Grants	N/A	84.173	2022	0	308
Special Education Preschool Grants	N/A	84.173	2023	0	4,145
Total Special Education Preschool Grants				0	4,453
Total Special Education Cluster				0	428,376
Twenty-First Century Community Learning Centers	N/A	84.287	2021	0	144,174
Twenty-First Century Community Learning Centers	N/A	84.287	2022	0	186,510
Twenty-First Century Community Learning Centers	N/A	84.287	2023	0	400,000
Total Twenty-First Century Community Learning Centers					730,684
Student Support and Academic Enrichment Program	N/A	84.424	2022	0	16,226
Student Support and Academic Enrichment Program	N/A	84.424	2023	0	64,794
Total Student Support and Academic Enrichment Program				0	81,020
COVID-19 Education Stabilization Fund	N/A	84.425W	2023	0	222
COVID-19 Education Stabilization Fund	N/A	84.425D	2023	0	1,576,263
COVID-19 Education Stabilization Fund	N/A	84.425U	2023	0	4,114,546
Total COVID-19 Education Stabilization Fund				0	5,691,031
Total U.S. Department of Education				0	7,838,368
<b>U.S. DEPARTMENT OF THE TREASURY</b>					
<i>Passed Through Ohio Facilities Construction Commission</i>					
COVID-19 State and Local Fiscal Recovery Fund	5CV3	21.027	2023	0	295,886
Total U.S. Department of the Treasury				0	295,886
<b>Total Expenditures of Federal Awards</b>				<b>\$ 0</b>	<b>\$ 9,105,585</b>

N/A - not applicable

*The accompanying notes are an integral part of this schedule.*

**SOUTH POINT LOCAL SCHOOL DISTRICT  
LAWRENCE COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
2 CFR 200.510(b)(6)  
FOR THE YEAR ENDED JUNE 30, 2023**

**NOTE A – BASIS OF PRESENTATION**

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of South Point Local School District (the School District's) under programs of the federal government for the year ended June 30, 2023. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the School District, it is not intended to and does not present the financial position, changes in net position, or cash flows of the School District.

**NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

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

**NOTE C – INDIRECT COST RATE**

The School District has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

**NOTE D – CHILD NUTRITION CLUSTER**

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

**NOTE E – FOOD DONATION PROGRAM**

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

**NOTE F – TRANSFERS BETWEEN PROGRAM YEARS AND PROGRAMS**

Federal regulations require schools to obligate certain federal awards by June 30. However, with ODE's consent, schools can transfer unobligated amounts to the subsequent fiscal year's program. The School District transferred the following amounts from 2023 to 2024 programs:

<u>Program Title</u>	<u>AL Number</u>	<u>Amount</u>
National School Lunch	10.555	\$15,012
Title I Grants to LEA	84.010	7,167
Title I Grants to LEA	84.010A	23,294
Special Education-IDEA B	84.027	117,272
Special Education-Preschool Grants	84.173A	3,291
IDEA ECSE	84.173X	2,446
Education Stabilization Fund-ARP ESSER	84.425U	67,851
Education Stabilization Fund-ARP Homeless Round II	84.425W	12,589

The School District, with ODE's consent, transferred \$95,673 from the Title II-A Supporting Effective Instruction program to the Title I program.

**Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards***

Independent Auditor's Report

Board of Education  
South Point Local School District  
302 High Street  
South Point, Ohio 45680

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of South Point Local School District, Lawrence County, Ohio (the School District) as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the School District's basic financial statements, and have issued our report thereon dated September 23, 2024, wherein we noted the financial impact of COVID-19 and the continuing emergency measures may impact subsequent periods of the School District. Further, we noted that beginning net position has been restated as a result of corrections to capital asset balances and related depreciation.

**Report on Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-004 and 2023-005, that we consider to be material weaknesses.

### **Report on Compliance and Other Matters**

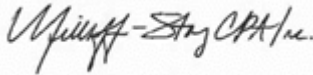
As part of obtaining reasonable assurance about whether the School District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompany schedule of findings and questioned costs as items 2023-001, 2023-002, 2023-003, 2023-006 and 2023-007.

### **School District's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the School District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The School District's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

### **Purpose of this Report**

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



Millhuff-Stang, CPA, Inc.  
Wheelersburg, Ohio

September 23, 2024



---

**Report on Compliance For Each Major Federal Program and on Internal Control Over Compliance  
Required by the Uniform Guidance**

Independent Auditor's Report

Board of Education  
South Point Local School District  
302 High Street  
South Point, Ohio 45680

**Report on Compliance for the Major Federal Program**

***Opinion on the Major Federal Program***

We have audited South Point Local School District's (the School District) compliance with the types of compliance requirements described as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the School District's major federal program for the year ended June 30, 2023. The School District's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended June 30, 2023.

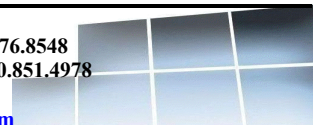
***Basis for Opinion on the Major Federal Program***

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

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

***Responsibilities of Management for Compliance***

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



***Auditor's Responsibilities for the Audit of Compliance***

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

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

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

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

**Report on Internal Control Over Compliance**

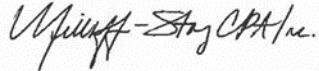
*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement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

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

South Point Local School District, Ohio  
Report on Compliance For Each Major Federal Program; Report on Internal Control Over Compliance; and Report on  
the Schedule of Federal Awards Expenditures Required by the Uniform Guidance  
Page 3

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

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



Millhuff-Stang, CPA, Inc.  
Wheelersburg, Ohio

September 23, 2024

**South Point Local School District**  
**Lawrence County**  
*Schedule of Findings and Questioned Costs*  
*2 CFR Section 200.515*  
*For the Fiscal Year Ended June 30, 2023*

**Section I – Summary of Auditor’s Results**

<i>Financial Statements</i>		
Type of report the auditor issued on whether the financial statements audited were prepared in accordance with GAAP:		Unmodified
Internal control over financial reporting:		
	Material weakness(es) identified?	Yes
	Significant deficiency(ies) identified?	None reported
Noncompliance material to financial statements noted?		Yes
<i>Federal Awards</i>		
Internal control over major program(s):		
	Material weakness(es) identified?	No
	Significant deficiency(ies) identified?	None reported
Type of auditor’s report issued on compliance for major programs:		Unmodified
Any auditing findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?		No
Identification of major program(s):		COVID-19 Education Stabilization Fund, AL #84.425W, AL #84.425D & AL# 84.425U
Dollar threshold used to distinguish between type A and type B programs:		Type A: >\$750,000 Type B: all others
Auditee qualified as low-risk auditee?		No

**Section II – Financial Statement Findings**

**Finding 2023-001 – Noncompliance – Annual Appropriation Filing**

Ohio Revised Code Section 5705.38(B) provides that a board of education shall pass its annual appropriation measure by the first day of October. If a school district’s annual appropriation measure is delayed as permitted by law, the board may pass a temporary measure for meeting the ordinary expense of the school district until it passes an annual appropriation measure. (Note: Except for those items covered by carryover encumbrances and federal and state grants/loans that are “deemed appropriated”, money must be appropriated to be expended pursuant to Ohio Revised Code Section 5705.41. As a practical matter, a school district will have to pass some type of appropriation between July 1 and October 1 if it intends to expend money; however, failing to file a temporary appropriation measure by July 1 does not violate Ohio Rev. Code § 5705.38(B).)

The School District did not approve temporary appropriations until August 8<sup>th</sup>, 2022, and permanent appropriations were not passed until November 4<sup>th</sup>, 2022. As a result, all expenditures made between July 1<sup>st</sup> and August 7<sup>th</sup> were not appropriated, as well as all expenditures made between October 1<sup>st</sup> and November 3<sup>rd</sup>. The School District should implement additional procedures to ensure annual appropriations and temporary appropriations are filed prior to the required deadline and prior to incurring any commitments.

*Client response:*

See accompanying corrective action plan.



**South Point Local School District**  
**Lawrence County**  
*Schedule of Findings and Questioned Costs*  
*2 CFR Section 200.515*  
*For the Fiscal Year Ended June 30, 2023*

---

**Section II – Financial Statement Findings (continued)**

**Finding 2023-002 – Noncompliance – Appropriations in Excess of Estimated Resources**

Ohio Revised Code Section 5705.39 states that total appropriations from each fund shall not exceed the total estimated resources. The School District had appropriations in excess of estimated resources in the Elementary and Secondary School Emergency Relief Fund (ESSER) of \$1,309,176. The School District should implement the appropriate procedures, such as periodic comparisons of estimated resources to appropriations, to ensure that appropriations are limited to estimated resources to prevent improper spending.

*Client response:*

See accompanying corrective action plan.

**Finding 2023-003 – Noncompliance – Appropriations in Excess of Actual Resources**

Ohio Revised Code Section 5705.36(A)(4) states that upon a determination by the fiscal officer of a subdivision that the revenue to be collected by the subdivision will be less than the amount included in an official certificate and that the amount of the deficiency will reduce available resources below the level of current appropriations, the fiscal officer shall certify the amount of the deficiency to the commission, and the commission shall certify an amended certificate reflecting the deficiency. The School District had total appropriations in excess of available resources in the ESSER fund of \$1,309,176 and no amended certificate was obtained. The School District should implement the appropriate procedures, such as periodic comparisons of available resources to total appropriations, to ensure that appropriations are limited to available resources in order to prevent improper spending.

*Client response:*

See accompanying corrective action plan.

**Finding 2023-004 – Material Weakness – Financial Reporting**

Having sound internal controls in place over the financial reporting process is pertinent to a properly functioning organization. During testing we noted misstatements in intergovernmental receivable and related deferred inflows for other governmental funds; depreciable capital assets and related expense in governmental activities; between taxes and intergovernmental receipts in the general and bond retirement funds; and omission of a portion of the inception of capital lease and the first principal payment on that lease in the ESSER fund. These adjustments were deemed immaterial and correction in the financial statements was waived. We also identified material misstatements related to taxes receivable and related revenues and deferrals in the general, bond retirement, other governmental funds, and governmental activities. Changes to the budgetary statements were necessary for the General and ESSER funds actual activity and to correctly report original and final budget figures which agreed to the budgetary information that was on file with the County. Also, the notes to the financial statements required modifications. The schedule of federal awards expenditures (SEFA) and the notes to the SEFA also required modifications. The SEFA improperly included advances out in both the Twenty-First Century Community Learning Center program and the COVID-19 Education Stabilization Fund. Changes were also necessary for the Child Nutrition Cluster and pass-through entity names. The SEFA notes omitted the transfer between programs and program years. These corrections were deemed material, and corrections were made in the financial statements, SEFA and notes. Finally, we also noted that capital asset beginning balances were restated from the prior year indicating a lack of internal control over the reporting of capital assets. The School District should implement additional monitoring procedures to ensure the accurate presentation of financial statements, the SEFA, and note disclosures.

*Client response:*

See accompanying corrective action plan.

**South Point Local School District**  
**Lawrence County**  
*Schedule of Findings and Questioned Costs*  
*2 CFR Section 200.515*  
*For the Fiscal Year Ended June 30, 2023*

---

**Section II – Financial Statement Findings (continued)**

**Finding 2023-005 – Material Weakness – Budget to Accounting System**

Accurate budgetary information within the School District’s accounting system is pertinent to ensure that the School District has accurate and complete information for decision-making processes. Amendments to the budget should be properly documented in the minute record to provide assurance that changes to appropriations are authorized by the governing board and that all amendments are properly filed with the County Auditor. During testing we noted the final appropriations filed with the County Auditor did not agree with final appropriations per the School District’s accounting system. These differences were material for the General, Bond retirement, ESSER, and Title 1 funds. There was an immaterial difference noted with the Food Services fund. We did note that the final appropriations approved by the School Board did agree to the system balances. The School District should implement the appropriate procedures to ensure that all authorized budgetary amendments are properly recorded in the accounting system and subsequently filed with the County Auditor.

*Client response:*

See accompanying corrective action plan.

**Finding 2023-006 – Noncompliance – Expenditures in Excess of Appropriations**

Ohio Revised Code Section 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated. The School District had expenditures in excess of appropriations in the Title I, Bond Retirement, and Food Service Funds. The deficit was \$795,910, \$580,976, and \$51,230 respectively. We deemed the Title I and Bond Retirement Fund deficits to be material. Further, all expenditures made between July 1<sup>st</sup> and August 7<sup>th</sup> were and October 1<sup>st</sup> and November 3<sup>rd</sup> exceeded appropriations due to no appropriations being in place during those timeframes. The School District should monitor financial activity to ensure their expenditures do not exceed the amount appropriated.

*Client response:*

See accompanying corrective action plan.

**Finding 2023-007 – Noncompliance – 412 Certificates**

Ohio Revised Code Section 5705.412 states in part that no school district shall adopt any appropriation measure, make any qualifying contract, or increase any wage or salary schedule unless a certificate (412 certificate) is attached that certifies the School District has adequate revenues sufficient to maintain all personnel and programs. The School District’s appropriation measure did not have the required 412 certificate attached. The School District should ensure that 412 certificates be executed for all appropriation measures, increased salary or wage schedules, and qualifying contracts (including negotiated agreements and contracts for benefits).

*Client response:*

See accompanying corrective action plan.

**Section III – Federal Award Findings and Questioned Costs**

None



## South Point Local Schools

302 High Street  
South Point, Ohio 45680  
(740). 377.4315, (740).377.9735(Fax)



Chris Mathes, Superintendent  
cmathes@southpoint.k12.oh.us

Lee Elliott, Treasurer  
lelliott@southpoint.k12.oh.us

*Corrective Action Plan  
2 CFR Section 200.5151(c)  
For the Fiscal Year Ended June 30, 2023*

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2023-001	The Treasurer will ensure the timely filing of annual appropriations and will monitor expenditures and appropriations amending budgets as needed.	Immediate	Lee Elliott, Treasurer
2023-002	The Treasurer will implement additional budgetary monitoring and controls to prevent this happening in the future.	Immediate	Lee Elliott, Treasurer
2023-003	The Treasurer will implement additional budgetary monitoring and controls to prevent this happening in the future.	Immediate	Lee Elliott, Treasurer
2023-004	The Treasurer will work with the compiler to correct these issues going forward.	Immediate	Lee Elliott, Treasurer
2023-005	The Treasurer will implement additional budgetary controls to prevent this happening in the future.	Immediate	Lee Elliott, Treasurer
2023-006	The Treasurer will implement additional budgetary monitoring and controls to prevent this happening in the future.	Immediate	Lee Elliott, Treasurer
2023-007	The Treasurer will ensure use of 412 certificates.	6/30/25	Lee Elliott, Treasurer



## South Point Local Schools

302 High Street  
 South Point, Ohio 45680  
 (740). 377.4315, (740).377.9735(Fax)



Chris Mathes, Superintendent  
 cmathes@southpoint.k12.oh.us

Lee Elliott, Treasurer  
 lelliott@southpoint.k12.oh.us

*Schedule of Prior Audit Findings  
 2 CRF Section 200.511(b)  
 For the Fiscal Year Ended June 30, 2023*

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i><b>Explain</b></i>
Finding 2022-001	Noncompliance with ORC Section 3315.20 – Deficit Fund Balances	Yes	
Finding 2022-002	Noncompliance with ORC Section 5705.41(B) – Expenditures in Excess of Appropriations	No	Reissued as finding 2023-006
Finding 2022-003	Significant Deficiency – Capital Assets	No	Reissued in part as finding 2023-004
Finding 2022-004	Material Weakness – Financial Reporting	No	Reissued as finding 2023-004
Finding 2022-005	Material Weakness/Noncompliance – Education Stabilization Fund – Equipment and Real Property Management	Yes	
Finding 2022-006	Material Weakness/Noncompliance – Education Stabilization Fund – Prevailing Wages	No	Partially corrected - reissued in part in Management Letter
Finding 2022-007	Material Weakness/Noncompliance – Education Stabilization Fund – Reporting	Yes	

# OHIO AUDITOR OF STATE KEITH FABER



**SOUTH POINT LOCAL SCHOOL DISTRICT**

**LAWRENCE COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 11/21/2024**

65 East State Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)