



**SOUTH POINT LOCAL SCHOOL DISTRICT  
LAWRENCE COUNTY**

**SINGLE AUDIT**

**FOR THE YEAR ENDED JUNE 30, 2000**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**SOUTH POINT LOCAL SCHOOL DISTRICT  
LAWRENCE COUNTY**

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STATE OF OHIO  
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## REPORT OF INDEPENDENT ACCOUNTANTS

South Point Local School District  
Lawrence County  
203 Park Avenue  
South Point, Ohio 45680

To the Board of Education:

We have audited the accompanying general purpose financial statements of the South Point Local School District, Lawrence County, Ohio (the School District), as of and for the year ended June 30, 2000, as listed in the table of contents. These general purpose financial statements are the responsibility of the School District's management. Our responsibility is to express an opinion on these general purpose financial statements based on our audit.

We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the general purpose financial statements referred to above present fairly, in all material respects, the financial position of South Point Local School District, Lawrence County, as of June 30, 2000, and the results of its operations and the cash flows of its proprietary fund types for the year then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 2, 2001, on our consideration of the School District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Our audit was made for the purpose of forming an opinion on the general purpose financial statements of the School District, taken as a whole. The accompanying Schedule of Federal Awards Receipts and Expenditures is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the general purpose financial statements. Such information has been subjected to the auditing procedures applied in the audit of the general purpose financial statements and, in our opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

**Jim Petro**  
Auditor of State

February 2, 2001

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**SOUTH POINT LOCAL SCHOOL DISTRICT  
LAWRENCE COUNTY**

**COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS  
JUNE 30, 2000**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Assets and Other Debits:</b>				
<b>Assets:</b>				
Equity in Pooled Cash and Cash Equivalents	\$387,132	\$197,903	\$1,065,240	\$230,984
Cash and Cash Equivalents:				
With Fiscal Agents	0	0	10,559	0
Receivables:				
Property Taxes	2,740,660	0	67,707	0
Intergovernmental	16,603	203,447	0	0
Accrued Interest	42,673	0	0	0
Interfund Receivable	26,911	0	0	0
Inventory Held for Resale	0	0	0	0
Materials and Supplies Inventory	27,411	0	0	0
Prepaid Items	16,255	0	0	0
Restricted Assets:				
Cash and Cash Equivalents	539,138	0	0	0
Fixed Assets (Net, where applicable, of Accumulated Depreciation)	0	0	0	0
<b>Other Debits:</b>				
Amount Available in Debt Service Fund	0	0	0	0
Amount to be Provided from General Government Resources	0	0	0	0
<b>Total Assets</b>	<b><u>\$3,796,783</u></b>	<b><u>\$401,350</u></b>	<b><u>\$1,143,506</u></b>	<b><u>\$230,984</u></b>



Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$80,588	\$80,715	\$33,714	\$0	\$0	\$2,076,276
0	0	0	0	0	10,559
0	0	0	0	0	2,808,367
32,717	0	0	0	0	252,767
0	0	0	0	0	42,673
0	0	0	0	0	26,911
7,456	0	0	0	0	7,456
1,784	0	0	0	0	29,195
0	0	0	0	0	16,255
0	0	0	0	0	539,138
23,221	0	0	16,266,361	0	16,289,582
0	0	0	0	960,000	960,000
0	0	0	0	2,124,621	2,124,621
<b>\$145,766</b>	<b>\$80,715</b>	<b>\$33,714</b>	<b>\$16,266,361</b>	<b>\$3,084,621</b>	<b>\$25,183,800</b>

(Continued)

**SOUTH POINT LOCAL SCHOOL DISTRICT  
LAWRENCE COUNTY**

**COMBINED BALANCE SHEET  
ALL FUND TYPES AND ACCOUNT GROUPS  
JUNE 30, 2000  
(Continued)**

	Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
<b>Liabilities, Fund Equity and Other Credits:</b>				
<b>Liabilities:</b>				
Accounts Payable	\$39,612	\$35,403	\$0	\$598
Accrued Wages and Benefits Payable	880,915	182,235	0	0
Compensated Absences Payable	50,104	0	0	0
Interfund Payable	0	26,911	0	0
Intergovernmental Payable	187,189	33,965	0	0
Deferred Revenue	2,668,770	0	65,930	0
Due to Students	0	0	0	0
Matured Bonds Payable	0	0	10,000	0
Matured Interest Payable	0	0	559	0
Claims Payable	0	0	0	0
Capital Leases Payable	0	0	0	0
General Obligation Bonds Payable	0	0	0	0
<b>Total Liabilities</b>	<b>3,826,590</b>	<b>278,514</b>	<b>76,489</b>	<b>598</b>
<b>Fund Equity and Other Credits:</b>				
Investment in General Fixed Assets	0	0	0	0
Contributed Capital	0	0	0	0
Retained Earnings:				
Unreserved Deficit	0	0	0	0
Fund Balance:				
Reserved for Encumbrances	179,941	29,247	0	0
Reserved for Inventory	27,411	0	0	0
Reserved for Property Taxes	71,890	0	1,777	0
Reserved for Budget Stabilization	133,722	0	0	0
Reserved for Capital Improvements	197,741	0	0	0
Reserved for Bus Purchases	55,742	0	0	0
Reserved for Textbooks & Instructional Material	151,933	0	0	0
Unreserved, Undesignated (Deficit)	(848,187)	93,589	1,065,240	230,386
<b>Total Fund Equity (Deficits) and Other Credits</b>	<b>(29,807)</b>	<b>122,836</b>	<b>1,067,017</b>	<b>230,386</b>
<b>Total Liabilities, Fund Equity and Other Credits</b>	<b>\$3,796,783</b>	<b>\$401,350</b>	<b>\$1,143,506</b>	<b>\$230,984</b>

*See accompanying notes to the general purpose financial statements.*

Proprietary Fund Types		Fiduciary Fund Type	Account Groups		Totals (Memorandum Only)
Enterprise	Internal Service	Trust and Agency	General Fixed Assets	General Long-Term Obligations	
\$8,294	\$0	\$0	\$0	\$0	\$83,907
35,553	0	0	0	0	1,098,703
2,571	0	0	0	1,999,229	2,051,904
0	0	0	0	0	26,911
31,683	878,444	0	0	101,218	1,232,499
4,664	0	0	0	0	2,739,364
0	0	33,714	0	0	33,714
0	0	0	0	0	10,000
0	0	0	0	0	559
0	169,835	0	0	0	169,835
0	0	0	0	24,174	24,174
0	0	0	0	960,000	960,000
<u>82,765</u>	<u>1,048,279</u>	<u>33,714</u>	<u>0</u>	<u>3,084,621</u>	<u>8,431,570</u>
0	0	0	16,266,361	0	16,266,361
165,725	0	0	0	0	165,725
(102,724)	(967,564)	0	0	0	(1,070,288)
0	0	0	0	0	209,188
0	0	0	0	0	27,411
0	0	0	0	0	73,667
0	0	0	0	0	133,722
0	0	0	0	0	197,741
0	0	0	0	0	55,742
0	0	0	0	0	151,933
0	0	0	0	0	541,028
<u>63,001</u>	<u>(967,564)</u>	<u>0</u>	<u>16,266,361</u>	<u>0</u>	<u>16,752,230</u>
<u><b>\$145,766</b></u>	<u><b>\$80,715</b></u>	<u><b>\$33,714</b></u>	<u><b>\$16,266,361</b></u>	<u><b>\$3,084,621</b></u>	<u><b>\$25,183,800</b></u>

**SOUTH POINT LOCAL SCHOOL DISTRICT  
LAWRENCE COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES  
AND CHANGES IN FUND BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	Governmental Fund Types				Totals (Memorandum Only)
	General	Special Revenue	Debt Service	Capital Projects	
<b>Revenues:</b>					
Property Taxes	\$2,276,370	\$0	\$75,306	\$0	\$2,351,676
Intergovernmental	7,076,779	1,645,088	7,762	28,535	8,758,164
Interest	126,163	0	0	0	126,163
Tuition and Fees	41,426	0	0	0	41,426
Extracurricular Activities	0	132,235	0	0	132,235
Gifts and Donations	0	243	0	0	243
Miscellaneous	50,557	230	0	2,000	52,787
<b>Total Revenues</b>	<b>9,571,295</b>	<b>1,777,796</b>	<b>83,068</b>	<b>30,535</b>	<b>11,462,694</b>
<b>Expenditures:</b>					
Current:					
Instruction					
Regular	4,515,149	933,751	0	14,089	5,462,989
Special	920,938	598,855	0	0	1,519,793
Other	75,074	0	0	0	75,074
Support Services					
Pupils	229,391	0	0	0	229,391
Instructional Staff	311,352	89,528	0	0	400,880
Board of Education	80,505	0	0	0	80,505
Administration	1,250,485	89,102	0	2,029	1,341,616
Fiscal	228,360	3,569	0	0	231,929
Operation and Maintenance of Plant	798,850	2,034	0	3,973	804,857
Pupil Transportation	616,696	491	0	0	617,187
Central	17,624	0	0	0	17,624
Extracurricular Activities	131,839	62,141	0	0	193,980
Capital Outlay	0	0	0	14,449	14,449
Debt Service					
Principal Retirement	17,344	0	190,000	0	207,344
Interest and Fiscal Charges	2,695	0	117,369	0	120,064
<b>Total Expenditures</b>	<b>9,196,302</b>	<b>1,779,471</b>	<b>307,369</b>	<b>34,540</b>	<b>11,317,682</b>
Excess of Revenues Over (Under) Expenditures	374,993	(1,675)	(224,301)	(4,005)	145,012
<b>Other Financing Sources (Uses) :</b>					
Operating Transfers In	0	101,820	0	17,179	118,999
Proceeds from the Sale of Fixed Assets	557	0	0	0	557
Operating Transfers Out	(118,999)	(192)	0	0	(119,191)
<b>Total Other Financing Sources (Uses)</b>	<b>(118,442)</b>	<b>101,628</b>	<b>0</b>	<b>17,179</b>	<b>365</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures	256,551	99,953	(224,301)	13,174	145,377
Fund Balances (Deficits) at Beginning of Year	(286,207)	22,883	1,291,318	217,212	1,245,206
Decrease in Reserve for Inventory	(151)	0	0	0	(151)
<b>Fund Balances (Deficits) at End of Year</b>	<b>(\$29,807)</b>	<b>\$122,836</b>	<b>\$1,067,017</b>	<b>\$230,386</b>	<b>\$1,390,432</b>

*See accompanying notes to the general purpose financial statements.*

SOUTH POINT LOCAL SCHOOL DISTRICT  
LAWRENCE COUNTY

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	General Fund		Variance Favorable (Unfavorable)
	Revised Budget	Actual	
<b>Revenues:</b>			
Property Taxes	\$2,423,457	\$2,423,457	\$0
Intergovernmental	7,080,006	7,080,006	0
Interest	108,069	111,089	3,020
Tuition and Fees	41,633	41,435	(198)
Extracurricular Activities	0	0	0
Gifts and Donations	0	0	0
Miscellaneous	35,725	35,725	0
<b>Total Revenues</b>	<b>9,688,890</b>	<b>9,691,712</b>	<b>2,822</b>
<b>Expenditures:</b>			
Current:			
Instruction			
Regular	4,685,447	4,685,584	(137)
Special	936,615	936,615	0
Other	132,049	132,049	0
Support Services			
Pupils	239,372	239,372	0
Instructional Staff	320,817	320,817	0
Board of Education	78,982	78,982	0
Administration	1,331,533	1,331,533	0
Fiscal	244,615	244,615	0
Operation and Maintenance of Plant	861,468	861,468	0
Pupil Transportation	692,695	692,895	(200)
Central	9,911	9,911	0
Extracurricular Activities	139,186	139,186	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<b>Total Expenditures</b>	<b>9,672,690</b>	<b>9,673,027</b>	<b>(337)</b>
Excess of Revenues Over (Under) Expenditures	16,200	18,685	2,485
<b>Other Financing Sources (Uses):</b>			
Operating Transfers In	0	0	0
Proceeds from Sale of Fixed Assets	557	557	0
Advances In	0	0	0
Operating Transfers Out	(118,999)	(118,999)	0
Advances Out	(26,912)	(26,912)	0
<b>Total Other Financing Sources (Uses)</b>	<b>(145,354)</b>	<b>(145,354)</b>	<b>0</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(129,154)	(126,669)	2,485
Fund Balances at Beginning of Year	499,938	499,938	0
Prior Year Encumbrances Appropriated	333,448	333,448	0
<b>Fund Balances at End of Year</b>	<b>\$704,232</b>	<b>\$706,717</b>	<b>\$2,485</b>

(Continued)

SOUTH POINT LOCAL SCHOOL DISTRICT  
LAWRENCE COUNTY

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

(Continued)

	Special Revenue Funds		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Property Taxes	\$0	\$0	\$0
Intergovernmental	1,441,641	1,441,641	0
Interest	0	0	0
Tuition and Fees	0	0	0
Extracurricular Activities	132,235	132,235	0
Gifts and Donations	243	243	0
Miscellaneous	230	230	0
<b>Total Revenues</b>	<b>1,574,349</b>	<b>1,574,349</b>	<b>0</b>
<b>Expenditures:</b>			
Current:			
Instruction			
Regular	960,885	960,885	0
Special	620,342	620,342	0
Other	0	0	0
Support Services			
Pupils	0	0	0
Instructional Staff	92,301	92,301	0
Board of Education	0	0	0
Administration	102,323	102,323	0
Fiscal	3,568	3,568	0
Operation and Maintenance of Plant	2,034	2,034	0
Pupil Transportation	530	530	0
Central	0	0	0
Extracurricular Activities	82,190	82,190	0
Capital Outlay	0	0	0
Debt Service:			
Principal Retirement	0	0	0
Interest and Fiscal Charges	0	0	0
<b>Total Expenditures</b>	<b>1,864,173</b>	<b>1,864,173</b>	<b>0</b>
Excess of Revenues Over (Under) Expenditures	(289,824)	(289,824)	0
<b>Other Financing Sources (Uses):</b>			
Operating Transfers In	101,820	101,820	0
Proceeds from Sale of Fixed Assets	0	0	0
Advances In	26,912	26,912	0
Operating Transfers Out	(192)	(192)	0
Advances Out	0	0	0
<b>Total Other Financing Sources (Uses)</b>	<b>128,540</b>	<b>128,540</b>	<b>0</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(161,284)	(161,284)	0
Fund Balances at Beginning of Year	196,204	196,204	0
Prior Year Encumbrances Appropriated	105,095	105,095	0
<b>Fund Balances at End of Year</b>	<b>\$140,015</b>	<b>\$140,015</b>	<b>\$0</b>

(Continued)

Debt Service Fund			Capital Projects Funds		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$79,000	\$79,000	\$0	\$0	\$0	\$0
7,762	7,762	0	28,534	28,534	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	2,000	2,000	0
<u>86,762</u>	<u>86,762</u>	<u>0</u>	<u>30,534</u>	<u>30,534</u>	<u>0</u>
0	0	0	15,302	15,302	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	2,029	2,029	0
0	0	0	0	0	0
0	0	0	17,179	17,179	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	14,461	14,461	0
190,000	190,000	0	0	0	0
117,369	117,369	0	0	0	0
<u>307,369</u>	<u>307,369</u>	<u>0</u>	<u>48,971</u>	<u>48,971</u>	<u>0</u>
<u>(220,607)</u>	<u>(220,607)</u>	<u>0</u>	<u>(18,437)</u>	<u>(18,437)</u>	<u>0</u>
0	0	0	17,179	17,179	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
<u>0</u>	<u>0</u>	<u>0</u>	<u>17,179</u>	<u>17,179</u>	<u>0</u>
(220,607)	(220,607)	0	(1,258)	(1,258)	0
1,285,847	1,285,847	0	35,483	35,483	0
0	0	0	196,441	196,441	0
<u>\$1,065,240</u>	<u>\$1,065,240</u>	<u>\$0</u>	<u>\$230,666</u>	<u>\$230,666</u>	<u>\$0</u>

(Continued)

**SOUTH POINT LOCAL SCHOOL DISTRICT  
LAWRENCE COUNTY**

**COMBINED STATEMENT OF REVENUES, EXPENDITURES AND  
CHANGES IN FUND BALANCES - BUDGET AND ACTUAL (BUDGET BASIS)  
ALL GOVERNMENTAL FUND TYPES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

(Continued)

	Totals (Memorandum Only)		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Property Taxes	\$2,502,457	\$2,502,457	\$0
Intergovernmental	8,557,943	8,557,943	0
Interest	108,069	111,089	3,020
Tuition and Fees	41,633	41,435	(198)
Extracurricular Activities	132,235	132,235	0
Gifts and Donations	243	243	0
Miscellaneous	37,955	37,955	0
<b>Total Revenues</b>	<b>11,380,535</b>	<b>11,383,357</b>	<b>2,822</b>
<b>Expenditures:</b>			
Current:			
Instruction			
Regular	5,661,634	5,661,771	(137)
Special	1,556,957	1,556,957	0
Other	132,049	132,049	0
Support Services			
Pupils	239,372	239,372	0
Instructional Staff	413,118	413,118	0
Board of Education	78,982	78,982	0
Administration	1,435,885	1,435,885	0
Fiscal	248,183	248,183	0
Operation and Maintenance of Plant	880,681	880,681	0
Pupil Transportation	693,225	693,425	(200)
Central	9,911	9,911	0
Extracurricular Activities	221,376	221,376	0
Capital Outlay	14,461	14,461	0
Debt Service:			
Principal Retirement	190,000	190,000	0
Interest and Fiscal Charges	117,369	117,369	0
<b>Total Expenditures</b>	<b>11,893,203</b>	<b>11,893,540</b>	<b>(337)</b>
Excess of Revenues Over (Under) Expenditures	(512,668)	(510,183)	2,485
<b>Other Financing Sources (Uses):</b>			
Operating Transfers In	118,999	118,999	0
Proceeds from Sale of Fixed Assets	557	557	0
Advances In	26,912	26,912	0
Operating Transfers Out	(119,191)	(119,191)	0
Advances Out	(26,912)	(26,912)	0
<b>Total Other Financing Sources (Uses)</b>	<b>365</b>	<b>365</b>	<b>0</b>
Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses	(512,303)	(509,818)	2,485
Fund Balances at Beginning of Year	2,017,472	2,017,472	0
Prior Year Encumbrances Appropriated	634,984	634,984	0
<b>Fund Balances at End of Year</b>	<b>\$2,140,153</b>	<b>\$2,142,638</b>	<b>\$2,485</b>



**SOUTH POINT LOCAL SCHOOL DISTRICT  
LAWRENCE COUNTY**

**STATEMENT OF REVENUES,  
EXPENSES AND CHANGES IN FUND EQUITY  
ALL PROPRIETARY FUND TYPES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	Proprietary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	
<b>Operating Revenues:</b>			
Sales	\$206,583	\$0	\$206,583
Charges for Services	0	761,379	761,379
Total Operating Revenues	<u>206,583</u>	<u>761,379</u>	<u>967,962</u>
<b>Operating Expenses:</b>			
Salaries	203,683	0	203,683
Fringe Benefits	77,142	0	77,142
Purchased Services	18,172	84,362	102,534
Materials and Supplies	34,250	0	34,250
Cost of Sales	245,864	0	245,864
Depreciation	2,821	0	2,821
Claims	0	1,025,510	1,025,510
Total Operating Expenses	<u>581,932</u>	<u>1,109,872</u>	<u>1,691,804</u>
Operating Loss	<u>(375,349)</u>	<u>(348,493)</u>	<u>(723,842)</u>
<b>Non-Operating Revenues:</b>			
Federal Donated Commodities	34,622	0	34,622
Interest	0	35	35
Federal and State Subsidies	325,300	0	325,300
Total Non-Operating Revenues	<u>359,922</u>	<u>35</u>	<u>359,957</u>
Net Income (Loss) Before Operating Transfers	(15,427)	(348,458)	(363,885)
Operating Transfers In	<u>192</u>	<u>0</u>	<u>192</u>
Net Loss	(15,235)	(348,458)	(363,693)
Retained Earnings (Deficit)/Fund Balance at Beginning of Year Restated (Note 3)	<u>(87,489)</u>	<u>(619,106)</u>	<u>(706,595)</u>
Retained Earnings Deficit/Fund Balance at End of Year	(102,724)	(967,564)	(1,070,288)
Contributed Capital at Beginning and End of Year	<u>165,725</u>	<u>0</u>	<u>165,725</u>
<b>Total Fund Equity (Deficit) at End of Year</b>	<b><u>\$63,001</u></b>	<b><u>(\$967,564)</u></b>	<b><u>(\$904,563)</u></b>

*See accompanying notes to the general purpose financial statements.*

**SOUTH POINT LOCAL SCHOOL DISTRICT  
LAWRENCE COUNTY**

**STATEMENT OF REVENUES, EXPENSES AND  
CHANGES IN FUND EQUITY - BUDGET AND ACTUAL (BUDGET BASIS)  
ALL PROPRIETARY FUND TYPES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	Enterprise Fund		
	Revised Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues:</b>			
Sales	\$206,583	\$206,583	\$0
Operating Grants	325,064	325,064	0
Charges for Services	0	0	0
<b>Total Revenues</b>	<b>531,647</b>	<b>531,647</b>	<b>0</b>
<b>Expenses:</b>			
Salaries	206,748	206,748	0
Fringe Benefits	82,929	82,929	0
Purchased Services	14,630	14,630	0
Materials and Supplies	291,614	291,614	0
Capital Outlay	8,555	8,555	0
Other Expenses	0	0	0
<b>Total Operating Expenses</b>	<b>604,476</b>	<b>604,476</b>	<b>0</b>
Excess of Revenues Over (Under) Expenses Before Transfers	(72,829)	(72,829)	0
Operating Transfers In	192	192	0
Excess of Revenues and Operating Transfers Over (Under) Expenses	(72,637)	(72,637)	0
Fund Equity at Beginning of Year	35,823	35,823	0
Prior Year Encumbrances Appropriated	69,784	69,784	0
<b>Fund Equity at End of Year</b>	<b>\$32,970</b>	<b>\$32,970</b>	<b>\$0</b>

*See accompanying notes to the general purpose financial statements.*

Internal Service Fund			Totals (Memorandum Only)		
Revised Budget	Actual	Variance Favorable (Unfavorable)	Revised Budget	Actual	Variance Favorable (Unfavorable)
\$0	\$0	\$0	\$206,583	\$206,583	\$0
0	0	0	325,064	325,064	0
719,681	719,681	0	719,681	719,681	0
719,681	719,681	0	1,251,328	1,251,328	0
0	0	0	206,748	206,748	0
0	0	0	82,929	82,929	0
0	0	0	14,630	14,630	0
0	0	0	291,614	291,614	0
0	0	0	8,555	8,555	0
778,266	778,266	0	778,266	778,266	0
778,266	778,266	0	1,382,742	1,382,742	0
(58,585)	(58,585)	0	(131,414)	(131,414)	0
0	0	0	192	192	0
(58,585)	(58,585)	0	(131,222)	(131,222)	0
138,885	138,885	0	174,708	174,708	0
0	0	0	69,784	69,784	0
<b>\$80,300</b>	<b>\$80,300</b>	<b>\$0</b>	<b>\$113,270</b>	<b>\$113,270</b>	<b>\$0</b>

**SOUTH POINT LOCAL SCHOOL DISTRICT  
LAWRENCE COUNTY**

**STATEMENT OF CASH FLOWS  
ALL PROPRIETARY FUND TYPES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

	Proprietary Fund Types		Totals (Memorandum Only)
	Enterprise	Internal Service	
<b>Increase (Decrease) in Cash and Cash Equivalents:</b>			
<b>Cash Flows from Operating Activities:</b>			
Cash Received from Customers	\$206,583	\$0	\$206,583
Cash Received from Quasi-External Transactions	0	719,646	719,646
Cash Payments to Suppliers for Goods and Services	(258,658)	(84,362)	(343,020)
Cash Payments to Claims	0	(693,489)	(693,489)
Cash Payments to Employees for Services	(289,645)	0	(289,645)
Net Cash Provided by (Used for) Operating Activities	(341,720)	(58,205)	(399,925)
<b>Cash Flows from Noncapital Financing Activities:</b>			
Transfers In	192	0	192
Operating Grants Received	325,064	0	325,064
Net Cash Provided by Noncapital Financing Activities	325,256	0	325,256
<b>Cash Flows from Capital and Related Financing Activities:</b>			
Payments for Capital Acquisitions	(8,555)	0	(8,555)
<b>Cash Flows from Investing Activities:</b>			
Interest on Investments	0	35	35
Net Increase (Decrease) in Cash and Cash Equivalents	(25,019)	(58,170)	(83,189)
Cash and Cash Equivalents at Beginning of Year	105,607	138,885	244,492
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$80,588</b>	<b>\$80,715</b>	<b>\$161,303</b>
<b>Reconciliation of Operating Loss to Net Cash Used for Operating Activities:</b>			
Operating Loss	(\$375,349)	(\$348,493)	(\$723,842)
Depreciation	2,821	0	2,821
Donated Commodities Used During Year	34,622	0	34,622
Changes in Assets and Liabilities:			
Increase in Claims Payable	0	30,585	30,585
Increase in Inventory Held for Resale	(130)	0	(130)
Decrease in Materials and Supplies Inventory	139	0	139
Increase in Accounts Payable	4,998	0	4,998
Decrease in Accrued Wages and Benefits Payable	(6,503)	0	(6,503)
Decrease in Compensated Absences Payable	(3,258)	0	(3,258)
Increase in Intergovernmental Payable	940	259,703	260,643
Total Adjustments	33,629	290,288	323,917
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>(\$341,720)</b>	<b>(\$58,205)</b>	<b>(\$399,925)</b>

*See accompanying notes to the general purpose financial statements.*

**SOUTH POINT LOCAL SCHOOL DISTRICT  
LAWRENCE COUNTY**

***NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2000***

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

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

The School District operates under a locally-elected five-member Board form of government and provides educational services as mandated by state and/or federal agencies. This Board of Education controls the School District's five instructional/support facilities staffed by 82 classified, 127 certificated full time teaching personnel and 11 administrators who provide services to 1,987 students.

The reporting entity is comprised of the primary government, component units and other organizations that are included to ensure that the financial statements of the School District are not misleading. The primary government consists of all funds, departments, boards and agencies that are not legally separate from the School District. For 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 for the organization. The School District has no component units.

The School District is associated with three organizations, two of which are defined as jointly governed organizations, and one as an insurance purchasing pool. These organizations are the South Central Ohio Computer Association, Lawrence County Joint Vocational School, and the Ohio School Boards Association Workers' Compensation Group Rating Plan. These organizations are presented in Note 10 to the general purpose financial statements.

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

The financial statements of the School District have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The School District also applies Financial Accounting Standards Board (FASB) statements and interpretations issued on or before November 30, 1989, to its proprietary activities provided they do not conflict with or contradict GASB pronouncements. The more significant of the School District's accounting policies are described below.

***A. Basis Of Presentation - Fund Accounting***

The School District uses funds and account groups to report its financial position and the results of its operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain School District functions or activities.

**SOUTH POINT LOCAL SCHOOL DISTRICT  
LAWRENCE COUNTY**

***NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2000***

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

***A. Basis Of Presentation - Fund Accounting (Continued)***

A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. An account group is a financial reporting device designed to provide accountability for certain assets and liabilities that are not recorded in the funds because they do not directly affect net expendable available financial resources.

For financial statement presentation purposes, the various funds of the School District are grouped into the following generic fund types under the broad fund categories governmental, proprietary and fiduciary.

***Governmental Fund Types*** Governmental funds are those through which most governmental functions of the School District are financed. The acquisition, use and balances of the School District's expendable financial resources and the related current liabilities (except those accounted for in proprietary funds) are accounted for through governmental funds. The following are the School District's governmental fund types:

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

***Special Revenue Funds*** Special revenue funds are used to account for the proceeds of specific revenue sources (other than for major capital projects) that are legally restricted to expenditure for specified purposes.

***Debt Service Funds*** Debt service funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest and related costs.

***Capital Projects Funds*** Capital projects funds are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds).

***Proprietary Fund Types*** Proprietary funds are used to account for the School District's ongoing activities which are similar to those found in the private sector. The following are the School District's proprietary fund types:

***Enterprise Funds*** Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges or where it has been decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability or other purposes.

***Internal Service Fund*** The internal service fund accounts for the financing of services provided by one department or agency to other departments or agencies of the School District on a cost reimbursement basis.

***Fiduciary Fund Types*** Fiduciary funds are used to account for assets held by the School District in a trustee capacity or as an agent for individuals, private organizations, other governmental units and/or other funds. The School District's fiduciary funds include agency funds. The School District's agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations.

**SOUTH POINT LOCAL SCHOOL DISTRICT  
LAWRENCE COUNTY**

**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2000**

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

**A. Basis Of Presentation - Fund Accounting (Continued)**

**Account Groups** To make a clear distinction between fixed assets related to specific funds and those of general government, and between long-term obligations related to specific funds and those of a general nature, the following account groups are used:

**General Fixed Assets Account Group** This account group is established to account for all fixed assets of the School District, other than those accounted for in the proprietary funds.

**General Long-Term Obligations Account Group** This account group is established to account for all long-term obligations of the School District, except those accounted for in the proprietary funds.

**B. Measurement Focus and Basis of Accounting**

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

All proprietary funds are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the balance sheet. Fund equity (i.e., net total assets) is segregated into contributed capital and retained earnings components. Proprietary fund type operating statements present increases (e.g., revenues) and decreases (e.g., expenses) in net total assets.

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurements made.

The modified accrual basis of accounting is followed for governmental and agency funds. Under this basis, revenues are recognized in the accounting period when they become both measurable and available. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current fiscal year or soon enough thereafter to be used to pay liabilities of the current fiscal year. The available period for the School District is sixty days after year end.

In applying the susceptible to accrual concept under the modified accrual basis, the following revenue sources are deemed both measurable and available: property taxes available for advance, interest, tuition, grants, and student fees.

The School District reports deferred revenues on its combined balance sheet. Deferred revenues arise when a potential revenue does not meet both the measurable and available criteria for recognition in the current period. In the subsequent period, when both revenue recognition criteria are met, the liability for deferred revenue is removed from the combined balance sheet and revenue is recognized.

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 the governmental funds.

**SOUTH POINT LOCAL SCHOOL DISTRICT  
LAWRENCE COUNTY**

***NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2000***

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

***B. Measurement Focus and Basis of Accounting (Continued)***

The accrual basis of accounting is utilized for reporting purposes by the proprietary fund types. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. The fair value of donated commodities used during the year is reported in the operating statement as an expense with a like amount reported as donated commodities revenue. Unused donated commodities are reported as deferred revenue.

***C. Budgetary Data***

The budgetary process is prescribed by provisions of the Ohio Revised Code and entails the preparation of budgetary documents within an established timetable. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriation resolution, all of which are prepared on the budgetary basis of accounting. The certificate of estimated resources and the appropriation resolution are subject to amendment throughout the year with the legal restriction that appropriations cannot exceed estimated resources, as certified. All funds, other than agency funds, are legally required to be budgeted and appropriated. The primary level of budgetary control is at the fund level. Any budgetary modifications at this level may only be made by resolution of the Board of Education. Advances In and Advances Out are not required to be budgeted since they represent a temporary cash flow resource and are intended to be repaid.

***Tax Budget*** Prior to January 15, the Superintendent and Treasurer submit to the Board of Education a proposed operating budget for the fiscal year commencing the following July 1. The budget includes proposed expenditures and the means of financing for all funds. Public hearings are publicized and conducted to obtain taxpayers' comments. The express purpose of this budget document is to reflect the need for existing (or increased) tax rates. By no later than January 20, the Board-adopted budget is filed with the Lawrence County Budget Commission for rate determination.

***Estimated Resources*** By April 1, the Board of Education accepts, by formal resolution, the tax rates as determined by the Budget Commission and receives the Commission's certificate of estimated resources which states the projected revenue of each fund. Prior to June 30, the School District must revise its budget so that total contemplated expenditures from any fund during the ensuing year will not exceed the amount stated in the certificate of estimated resources. The revised budget then serves as the basis for the appropriation measure. On or about July 1, the certificate is amended to include any unencumbered cash balances from the preceding year. The certificate may be further amended during the year if projected increases or decreases in revenue are identified by the School District Treasurer. The amounts reported in the budgetary statements reflect the amounts in the final amended certificate issued during fiscal year 2000. Prior to June 30, the Board requested and received an amended certificate in which estimated revenues equaled actual revenue.

***Appropriations*** Upon receipt from the County Auditor of an amended certificate of estimated resources based on final assessed values and tax rates or a certificate saying no new certificate is necessary, the annual appropriation resolution must be legally enacted by the Board of Education at the fund level of expenditures, which is the legal level of budgetary control. Prior to the passage of the annual appropriation measure, the Board may pass a temporary appropriation measure to meet the ordinary expenses of the School District.

The appropriation resolution, by fund, must be within the estimated resources as certified by the County Budget Commission and the total of expenditures and encumbrances may not exceed the appropriation totals at any level of control. Any revisions that alter the total of any fund appropriations or alter total function appropriations within a fund, or alter object appropriations within functions, must be approved by the Board of Education. The Board may pass supplemental fund appropriations so long as the total appropriations by fund do not exceed the amounts set forth in the most recent certificate of estimated resources.



**SOUTH POINT LOCAL SCHOOL DISTRICT  
LAWRENCE COUNTY**

***NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2000***

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

***C. Budgetary Data (Continued)***

***Appropriations (Continued)***

During the year, several supplemental appropriations were legally enacted; however, none of these amendments were significant. The budget figures which appear in the statements of budgetary comparisons represent the final appropriation amounts, including all supplemental appropriations. Formal budgetary integration is employed as a management control device during the year for all funds consistent with statutory provisions. Prior to June 30, the Board passed an appropriation resolution which matched actual expenditures during the fiscal year.

***Encumbrances*** As part of formal budgetary control, purchase orders, contracts and other commitments for the expenditure of monies are recorded as the equivalent of expenditures on the non-GAAP budgetary basis in order to reserve that portion of the applicable appropriation and to determine and maintain legal compliance. Expenditures plus encumbrances may not legally exceed appropriations at the legal level of control. On the GAAP basis, encumbrances outstanding at fiscal year end are reported as a reservation of fund balance for subsequent-year expenditures for governmental funds and reported in the notes to the financial statements for proprietary funds.

***Lapsing of Appropriations*** At the close of each year, the unencumbered balance of each appropriation reverts to the respective fund from which it was appropriated and becomes subject to future appropriation. Encumbered appropriations are carried forward to the succeeding fiscal year and are not reappropriated.

***D. 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 School District records. Each fund's interest in the pool is presented as "equity in pooled cash and cash equivalents" on the balance sheet.

The School District utilizes a financial institution to service bonded debt as principal and interest payments come due. The balance in this account is presented on the combined balance sheet as "cash and cash equivalents with fiscal and escrow agents" and represents matured interest payable.

During fiscal year 2000, investments were limited to 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 2000 amounted to \$126,163, which includes \$93,439 assigned from other School District funds.

For purposes of the combined statement of cash flows and for presentation on the combined balance sheet, 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 considered to be cash equivalents. Investments with an initial maturity of more than three months are reported as investments.

***E. Inventory***

Inventories of governmental funds are stated at cost while inventories of proprietary funds are stated at the lower of cost or market. For all funds, cost is determined on a first-in, first-out basis. Inventory in governmental funds consists of expendable supplies held for consumption. The cost of inventory items is recorded as an expenditure in the governmental fund types when purchased.

**SOUTH POINT LOCAL SCHOOL DISTRICT  
LAWRENCE COUNTY**

***NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2000***

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

***E. Inventory (Continued)***

Reported material and supplies inventory is equally offset by a fund balance reserve in the governmental funds which indicates that it does not constitute available spendable resources even though it is a component of net current assets. Inventories of proprietary funds consist of donated food and purchased food and are expended when used.

***F. Prepaid Items***

Payments made to vendors for services that will benefit periods beyond June 30, 2000, are recorded as prepaid items using the consumption method. A current asset for the prepaid amount is recorded at the time of the purchase and an expenditure/expense is reported in the year in which services are consumed.

***G. Fixed Assets and Depreciation***

General fixed assets are not capitalized in the funds used to acquire or construct them. Instead, capital acquisition and construction costs are reflected as expenditures in governmental funds, and related assets are reported in the general fixed assets account group. Fixed assets utilized in the proprietary funds are capitalized in the respective fund. All fixed assets are capitalized at cost (or estimated historical cost) and updated for additions and retirements during the year. Donated fixed assets are recorded at their fair market values as of the date received. The School District maintains a capitalization threshold of three hundred 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. Interest incurred during the construction of general fixed assets is also not capitalized.

Assets in the general fixed assets account group are not depreciated. Depreciation of furniture and equipment and vehicles in the proprietary fund types is computed using the straight-line method over an estimated useful life of five to twenty years.

***H. Intergovernmental Revenues***

For governmental funds, intergovernmental revenues, such as entitlements and grants awarded on a non-reimbursement basis, are recorded as receivables and revenues when measurable and available. Reimbursement type grants are recorded as receivables and revenues when the related expenditures are incurred. Other than commodities, grants and entitlements for proprietary fund operations are recognized as non-operating revenues in the accounting period in which they are earned and became measurable.

The School District currently participates in several State and federal programs, categorized as follows:

**Entitlements**

***General Fund***

State Foundation Program  
School Bus Purchase

***Special Revenue Funds***

Disadvantaged Pupil Impact Aid

**SOUTH POINT LOCAL SCHOOL DISTRICT  
LAWRENCE COUNTY**

***NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2000***

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

***H. Intergovernmental Revenues (Continued)***

**Non-Reimbursable Grants**

***Special Revenue Funds***

Title VIB

Title VIR

Title I

Title VI

Educational Management Information System

Professional Development

School Building Incentive

Raising the Bar

South Central Regional Training Center

***Capital Projects Fund***

School Net Plus

Technology Equity

Emergency Repair Grant

**Reimbursable Grants**

***Proprietary Funds***

National School Breakfast Program

National School Lunch Program

Government Donated Commodities

Grants and entitlements amounted to seventy-four percent of governmental fund revenue during the 2000 fiscal year.

***I. Short-term Interfund Assets/Liabilities***

Receivables and payables resulting from transactions between funds for services provided or goods received are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term interfund loans are classified as "interfund receivables/payables."

***J. Compensated Absences***

Vacation benefits are accrued as a liability as the benefits are earned if the employees' rights to receive compensation are attributed to services already rendered and it is probable that the School District will compensate the employees for the benefits through paid time off or some other means. The School District records a liability for accumulated unused vacation time when earned for all employees with more than one year of service.

Sick leave benefits are accrued as a liability using the vesting method. The liability includes the employees who are currently eligible to receive termination benefits and those the School District has identified as probable of receiving payments 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 after 15 years of service.

**SOUTH POINT LOCAL SCHOOL DISTRICT  
LAWRENCE COUNTY**

***NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2000***

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

***J. Compensated Absences (Continued)***

For governmental funds, the current portion of unpaid compensated absences is the amount expected to be paid using expendable available resources. These amounts are recorded in the account "compensated absences payable" in the fund from which the employees who have accumulated unpaid leave are paid. The remainder is reported in the general long-term obligations account group. In proprietary funds, the entire amount of compensated absences is reported as a fund liability.

***K. Accrued Liabilities and Long-Term Obligations***

In general, governmental fund payables and accrued liabilities are reported as obligations of the funds regardless of whether they will be liquidated with current resources. However, compensated absences, contractually required pension contributions and special termination benefits that will be paid from governmental funds are reported as a liability in the general long-term obligations account group to the extent that they will not be paid with current expendable available financial resources. In general, amounts paid after sixty days are considered not to have been paid with current available financial resources. Bonds, notes, and capital leases are recognized as a liability of the general long-term obligations account group until due.

Long-term debt and other obligations financed by proprietary funds are reported as liabilities in the appropriate proprietary funds.

***L. Interfund Transactions***

Quasi-external transactions are accounted for as revenues and expenditures or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. All other interfund transfers are reported as operating transfers.

***M. Fund Balance Reserves***

The School District reserves those portions of fund equity which are legally segregated for a specific future use or which do not represent available expendable resources and therefore are not available for appropriation or expenditure. Unreserved fund balance indicates that portion of fund equity which is available for appropriation in future periods. Fund equity reserves have been established for encumbrances, inventories of supplies and materials, property taxes, budget stabilization, textbook purchases, bus purchases, and capital acquisition.

The reserve for property taxes represents taxes recognized as revenue under generally accepted accounting principles but not available for appropriation under State statute. The reserve for budget stabilization represents money required to be set-aside by statute to protect against cyclical changes in revenues and expenditures.

***N. Contributed Capital***

Contributed capital represents resources from other funds, other governments and private sources provided to the enterprise funds that are not subject to repayment. These assets are recorded at their fair market value on the date contributed. Depreciation on those assets acquired or constructed with contributed resources is expensed and closed to unreserved retained earnings at year end.

**SOUTH POINT LOCAL SCHOOL DISTRICT  
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***NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2000***

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

***O. Total Columns on General Purpose Financial Statements***

Total columns on the general purpose financial statements are captioned "Totals (Memorandum Only)" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, results of operations, or cash flows in conformity with generally accepted accounting principles. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

***P. Restricted Assets***

Restricted assets in the General Fund represent cash and cash equivalents whose use is limited by legal requirements. Restricted assets include unexpended revenues restricted for the purchase of buses, and amounts required by statute to be set-aside by the School District for the acquisition or construction of capital assets, purchase of textbooks and the creation of a reserve for budget stabilization. See Note 20 for additional information regarding set-asides.

***Q. Estimates***

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

**Note 3 - Prior Period Restatement**

Fixed Assets and Inventory Held for Resale were overstated at June 30, 1999 by \$1,870. These adjustments increased the Retained Earnings deficit from (\$85,619) to (\$87,489), but had no material effect on net income for fiscal year 1999.

At June 30, 1999, information was not available to present the GAAP financial statements for the internal service fund. Adjustments to Retained Earnings equaled (\$619,106) to include in the internal service fund on the fiscal year 2000 financial statements.

**Note 4 - Accountability and Compliance**

***Fund Deficits***

The following funds had deficit fund balance/retained earnings at June 30, 2000:

	Deficit Fund Balance/ Retained Earnings
General Fund	\$29,807
Internal Service Fund:	
Employee Benefits	967,564
Special Revenue Funds:	
Martha Holden Jennings Fund	708
Teacher's Development Fund	628
DPIA Fund	108,028

**SOUTH POINT LOCAL SCHOOL DISTRICT  
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
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**Note 4 - Accountability and Compliance (Continued)**

The deficits in the General Fund and Special Revenue Funds resulted from application of generally accepted accounting principles. The deficit in the Employee Benefits Internal Service Fund is the result of accumulated losses. The School District is analyzing the Internal Service Fund operations to determine appropriate steps to alleviate the deficit.

**Legal Compliance**

The General Fund had expenditures plus encumbrances in excess of appropriations in the amount of \$337.

**Note 5 - Budgetary Basis of Accounting**

While the School District is reporting financial position, results of operations and changes in fund balance/retained earnings on the basis of generally accepted accounting principles (GAAP), the budgetary basis as provided by law is based upon accounting for certain transactions on a basis of cash receipts, disbursements and encumbrances. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual (Budget Basis)-All Governmental Fund Types and the Statement of Revenues, Expenses and Changes in Fund Equity - Budget and Actual (Budget Basis)-All Proprietary Fund Types 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 basis are that:

1. Revenues are recorded when received in cash (budget basis) as opposed to when susceptible to accrual (GAAP basis).
2. Expenditures/expenses are recorded when paid in cash (budget basis) as opposed to when the liability is incurred (GAAP basis).
3. Encumbrances are treated as expenditures/expenses for all funds (budget basis) rather than as a reservation of fund balance for governmental fund types and as note disclosures in the proprietary fund types (GAAP basis).
4. Advances-in and advances-out are operating transactions (budget basis) as opposed to balance sheet transactions (GAAP basis).

The following tables summarize the adjustments necessary to reconcile the GAAP and budgetary basis statements by fund type:

	Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses All Governmental Fund Types			
	General	Special Revenue	Debt Service	Capital Projects
GAAP Basis	\$256,551	\$99,953	(\$224,301)	\$13,174
Revenue Accruals	120,417	(203,447)	3,694	(1)
Prepaid Items	(16,255)	0	0	0
Advance In	0	26,912	0	0
Expenditure Accruals	(240,917)	(26,814)	0	(14,113)
Advance Out	(26,912)	0	0	0
Encumbrances	(219,553)	(57,888)	0	(318)
Budget Basis	<u>(\$126,669)</u>	<u>(\$161,284)</u>	<u>(\$220,607)</u>	<u>(\$1,258)</u>

**SOUTH POINT LOCAL SCHOOL DISTRICT  
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2000**

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**Note 5 - Budgetary Basis of Accounting (Continued)**

	Net Income (Loss)/Excess of Revenues and Operating Transfers Over (Under) Expenses All Proprietary Fund Types	
	Enterprise	Internal Service
GAAP Basis	(\$15,235)	(\$348,458)
Revenue Accruals	(34,858)	(41,733)
Expense Accruals	25,074	332,021
Encumbrances	(47,618)	(415)
Budget Basis	(\$72,637)	(\$58,585)

**Note 6 - Deposits and Investments**

State statutes classify monies held by the School District into three categories.

Active deposits are public deposits necessary to meet current demands on the treasury. Such 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 the Board of Education has identified as not required for use within the current two 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 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, by surety company bonds deposited with the treasurer by the financial institution or by a single collateral pool established by the financial institution to secure the repayment of all public money deposited with the institution.

Interim monies may be deposited or invested in the following securities:

1. United States Treasury Notes, Bills, Bonds, or any other obligation or security issued by the United States Treasury or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligations or securities issued by any federal government agency or instrumentality, including but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided that the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least two percent and be marked to market daily, and that the term of the agreement must not exceed thirty days;

**SOUTH POINT LOCAL SCHOOL DISTRICT  
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***NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
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**Note 6 - Deposits and Investments (Continued)**

4. Bond and other obligations of the State of Ohio;
5. 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;
6. The State Treasurer's investment pool (STAR Ohio);
7. Certain bankers' acceptances and commercial paper notes for a period not to exceed one hundred and eighty days in an amount not to exceed twenty-five percent of the interim moneys available for investment at any one time; and,
8. Under limited circumstances, corporate debt interests rated in either of the two highest rating classifications by at least two nationally recognized rating agencies.

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 qualified trustee or, if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

The following information classifies deposits and investments by categories of risk as defined in GASB Statement No. 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements".

Deposits: At fiscal year-end, the carrying amount of the School District's deposits was \$1,903,874 and the bank balance was \$2,818,618. Of the bank balance:

1. \$100,000 was covered by federal depository insurance; and
2. \$2,718,618 was uninsured and uncollateralized. Although all statutory requirements for the deposit of the money had been followed, non compliance with federal requirements could potentially subject the School District to a successful claim by the Federal Deposit Insurance Corporation.

Investments: The School District's investments are categorized below to give an indication of the level of risk assumed by the School District at year end. Category 1 includes investments that are insured or registered or for which the securities are held by the School District or its agent in the School District's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the School District's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty, or by its trust department or agent but not in the School District's name.

	Category 3	Fair Value
Repurchase Agreements	\$722,099	\$722,099



**SOUTH POINT LOCAL SCHOOL DISTRICT  
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***NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
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**Note 6 - Deposits and Investments (Continued)**

The classification of cash and cash equivalents, and investments on the combined financial statements is based on criteria set forth in GASB Statement No. 9, "Reporting Cash Flows of Proprietary and Non-Expendable Trust Funds and Governmental Entities That Use Proprietary Fund Accounting".

A reconciliation between the classifications of cash and cash equivalents and investments on the combined financial statements and the classifications of deposits and investments presented above per GASB Statement No. 3 is as follows:

	Cash and Cash Equivalents/Deposits	Investments
GASB Statement 9	\$2,625,973	\$0
Investments:		
Repurchase Agreements	(722,099)	722,099
GASB Statement 3	\$1,903,874	\$722,099

**Note 7 - Property Taxes**

Property taxes include amounts levied against all real and public utility property, and tangible personal (used in a business) property located in the School District. Taxes collected on real property (other than public utility) in one calendar year are levied in the preceding calendar year on assessed values as of January 1 of that preceding year, the lien date. Assessed values are established by State law at 35 percent of appraised market value. All property is required to be revalued every six years.

Real and public utility property taxes are payable annually and 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 at June 20, unless extended. Under certain circumstances, State statute permits earlier or later payment dates to be established. Taxes collected from tangible personal property (other than public utility) in one calendar year are levied in the prior calendar year on assessed values during the close of the most recent fiscal year of the taxpayer that ended on or before March 31 of that calendar year, and at the rates determined in the preceding year.

Tangible personal property used in business (except public utilities) is currently assessed for ad valorem taxation purposes at 25 percent of its true value. Single county taxpayers may pay annually or semi-annually. If paid annually, payment is due April 30; if paid semi-annually, the first payment is due April 30, with the remainder payable by September 20.

Public utility real and tangible personal property taxes collected in one calendar year are levied in the preceding calendar year on assessed values determined as of December 31 of the second year preceding the tax collection year, the lien date. Certain public utility tangible personal property currently is assessed at 88 percent of its true value. Public utility taxes are payable on the same dates as real property taxes described previously.

The assessed values upon which the fiscal year 2000 taxes were collected are:

**SOUTH POINT LOCAL SCHOOL DISTRICT  
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**NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2000**

**Note 7 - Property Taxes (Continued)**

	1999 Second- Half Collections		2000 First- Half Collections	
	Amount	Percent	Amount	Percent
Agricultural/ Residential and Other Real Estate	\$112,224,730	82.61%	\$111,675,000	82.12%
Public Utility Personal	12,738,730	8.01	11,966,910	8.80
Tangible Personal Property	10,883,300	9.38	12,347,120	9.08
<b>Total</b>	<b>\$135,846,760</b>	<b>100.00%</b>	<b>\$135,989,030</b>	<b>100.00%</b>
Tax rate per \$1,000 of assessed valuation	\$20.90		\$20.90	

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, 2000, are available to finance fiscal year 2000 operations. The amount available to be advanced can vary based on the date the tax bills are sent.

Accrued property taxes receivable represents delinquent taxes outstanding and real property, tangible personal property, and public utility taxes which became measurable as of June 30, 2000. Although total property tax collections for the next fiscal year are measurable, only the amount available as an advance at June 30 is intended to finance current year operations. The receivable is therefore offset by a credit to deferred revenue for that portion not intended to finance current year operations. The amount available as an advance at June 30, 2000, was \$73,667 and is recognized as revenue. \$71,890 was available to the General Fund and \$1,777 was available to the Debt Service Fund.

**Note 8 - Receivables**

Receivables at June 30, 2000, consisted of taxes, accounts (rent and tuition), 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 year guarantee of federal funds. A summary of the principal items of intergovernmental receivables follows:

Intergovernmental Receivables	Amounts
General Fund:	
Community Alternative Funding System	\$1,772
Rock Hill Board of Education	14,831
Total General Fund	16,603
Special Revenues Funds:	
Professional Development	10,202
Title VI-B	53,434
Title I	123,780
Title VI	9,964
Other Federal Grants	6,067
Total Special Revenues Funds	203,447
Enterprise Funds:	
Food Service- Grant	32,717
Total Intergovernmental Receivables	<b>\$252,767</b>

**SOUTH POINT LOCAL SCHOOL DISTRICT  
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***NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
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**Note 9 - Fixed Assets**

A summary of the Enterprise Fund's fixed assets at June 30, 2000, follows:

Furniture and Equipment	\$210,868
Less: accumulated depreciation	(187,647)
Net Fixed Assets	\$23,221

A summary of the changes in general fixed assets during fiscal year 2000 follows:

	Balance 6/30/99	Additions	Deductions	Balance 6/30/00
Land and Improvements	\$163,277	\$0	\$0	\$163,277
Buildings and Improvements	11,913,224	0	0	11,913,224
Furniture, Fixtures and Equipment	2,797,276	219,166	95,924	2,920,518
Vehicles	1,008,857	81,029	5,333	1,084,553
Textbooks	184,789	0	0	184,789
Total General Fixed Assets	\$16,067,423	\$300,195	\$101,257	\$16,266,361

**Note 10 - Jointly Governed Organizations and Insurance Purchasing Pool**

**A. Jointly Governed Organizations**

The Lawrence County Joint Vocational School District 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 South Point Local School District and two from the Lawrence County Educational Service Center, which possesses its own budgeting and taxing authority. To obtain financial information write to the Lawrence County Joint Vocational School District, 11627 State Route 243, Chesapeake, Ohio 45619.

South Central Ohio Computer Association (SCOCA) is a jointly governed organization among public school districts within the boundaries of Highland, Adams, Pike, Scioto, Brown, Ross and Lawrence Counties. The organization was formed with the purpose of applying modern technology with the aid of computers and other electronic equipment to administrative and instructional functions among member school districts. The governing board of SCOCA consists of two representatives from each of the seven participating counties and one representative from the fiscal agent. All revenues are generated from an annual fee of \$2.00 per student to participating districts and State funding. The School District paid \$4,118 for services provided during fiscal year 2000. To obtain financial information write to the Pike County Joint Vocational School District, P.O. Box 577, 23365 State Route 124, Piketon, Ohio 45661.

**B. Insurance Purchasing Pool**

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, participating school districts pay an enrollment fee to the GRP to cover the costs of administering the program.

**SOUTH POINT LOCAL SCHOOL DISTRICT  
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***NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
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**Note 11 - Risk Management**

***A. Property and Liability***

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 2000, the School District contracted with Nationwide Insurance Company for property, general liability, and boiler and machinery insurance. There is a \$1,000 deductible with a one hundred percent blanket, all risk policy.

Professional liability is protected by Nationwide Insurance Company with a \$1,000,000 single occurrence limit and a \$5,000,000 aggregate and no deductible. The School District is also covered by an additional umbrella liability coverage with Nationwide Insurance Company. Vehicles are covered by Nationwide Insurance and hold a \$250 deductible for comprehensive and collision. Automobile liability has a \$1,000,000 combined single limit of liability. Settled claims have not exceeded commercial coverage in any of the past five years. There has been no significant reductions in insurance coverage from last year.

***B. Workers' Compensation***

For fiscal year 2000, the School District participated in the Ohio School Boards Association Workers' Compensation Group Rating Program (GRP), an insurance purchasing pool (Note 10). 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. Total savings are then calculated and each participant's individual performance is compared to the overall savings of the GRP. A participant will then either receive money from or be required to contribute to the "Equity Pooling Fund." This "equity pooling" arrangement insures that each participant shares equally in the overall performance of the GRP. Participation in the GRP is limited to school districts that can meet the GRP's selection criteria. The firm of Gates McDonald & Co. provides administrative, cost control and actuarial services to the GRP.

***C. Employee Medical Benefits***

Medical/surgical, dental and vision insurance is offered to employees through a self-insurance internal service fund. The claims liability of \$169,835 reported in the internal service fund at June 30, 2000, is based on an estimate provided by the third party administrator and the requirements of Governmental Accounting Standards Board Statement No. 10 which requires that a liability for unpaid claims costs, including estimates of costs relating to incurred but not reported claims, be reported. No incremental claim adjustment expenses are included in the estimate. Changes in claims activity for the past two fiscal years are as follows:

	Balance at Beginning of Year	Current Year Claims	Claims Payments	Balance at End of Year
1999	\$88,089	\$1,286,880	\$1,235,719	\$139,250
2000	139,250	1,025,510	994,925	169,835

**SOUTH POINT LOCAL SCHOOL DISTRICT  
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***NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2000***

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**Note 12 - Defined Benefit Pension Plans**

***A. School Employees Retirement System***

The School District contributes to the School Employees Retirement System of Ohio (SERS), a cost-sharing multiple employer defined benefit pension plan. SERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Authority to establish and amend benefits is provided by Chapter 3309 of the Ohio Revised Code. SERS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the School Employees Retirement System, 45 N. Fourth Street, Columbus, Ohio 43215-3634.

Plan members are required to contribute 9 percent of their annual covered salary and the School District is required to contribute at an actuarially determined rate. The current School District rate is 14 percent of annual covered payroll. A portion of the School District's contribution is used to fund pension obligations with the remainder being used to fund health care benefits; for fiscal year 2000, 5.5 percent of annual covered salary was the portion used to fund pension obligations. The contribution requirements of plan members and employers are established and may be amended, up to a statutory maximum amount, by the SERS' Retirement Board. The School District's required contributions for pension obligations to SERS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$65,034, \$109,461 and \$230,418, respectively; 21 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998.

***B. State Teachers Retirement System***

The School District contributes to the State Teachers Retirement System of Ohio (STRS), a cost-sharing multiple employer public employee retirement system. STRS provides retirement and disability benefits, annual cost-of-living adjustments, and death and survivor benefits to members and beneficiaries. Benefits are established by Chapter 3307 of the Ohio Revised Code. STRS issues a publicly available, stand-alone financial report that includes financial statements and required supplementary information for STRS. That report may be obtained by writing to the State Teachers Retirement System, 275 East Broad Street, Columbus, Ohio 43215-3371.

For the fiscal year ended June 30, 2000, plan members were required to contribute 9.3 percent of their annual covered salaries. The School District was required to contribute 14 percent; 6 percent was the portion used to fund pension obligations. Contribution rates are established by STRS, upon recommendations of its consulting actuary, not to exceed statutory maximum rates of 10 percent for members and 14 percent for employers. The School District's required contributions for pension obligations to STRS for the fiscal years ended June 30, 2000, 1999, and 1998 were \$372,593, \$314,829 and \$840,636, respectively; 84 percent has been contributed for fiscal year 2000 and 100 percent for fiscal years 1999 and 1998. \$59,945 represents the unpaid contribution for fiscal year 2000 and is recorded as a liability within the respective funds.

***C. Social Security System***

Effective July 1, 1991, all employees not otherwise covered by the School Employees Retirement System or the State Teachers Retirement System have an option to choose Social Security or the School Employees Retirement System/State Teachers Retirement System. As of June 30, 2000, all members of the Board of Education have elected Social Security. The Board's liability is 6.2 percent of wages paid.

**SOUTH POINT LOCAL SCHOOL DISTRICT  
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***NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
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**Note 13 - Postemployment Benefits**

The School District provides comprehensive health care benefits to retired teachers and their dependents through the State Teachers Retirement System (STRS), and to retired non-certified employees and their dependents through the School Employees Retirement System (SERS). Benefits include hospitalization, physicians' fees, prescription drugs and reimbursement of monthly Medicare premiums. Benefit provisions and the obligations to contribute are established by the Systems based on authority granted by State statute. Both systems are on a pay-as-you-go basis.

All STRS benefit recipients and sponsored dependents are eligible for health care coverage. The STRS Board has statutory authority over how much, if any, of the health care costs will be absorbed by STRS. Most benefit recipients pay a portion of the health care cost in the form of a monthly premium. By law, the cost of coverage paid from STRS funds is included in the employer contribution rate, currently 14 percent of covered payroll. For the fiscal year ended June 30, 2000, the STRS Board allocated employer contributions equal to 8 percent of covered payroll to the Health Care Reserve Fund. For the School District, this amount equaled \$496,791 for fiscal year 2000.

STRS pays health care benefits from the Health Care Reserve Fund. At June 30, 1999, (the latest information available) the balance in the Fund was \$2,783 million. For the year ended June 30, 1999, net health care costs paid by STRS were \$249,929,000 and STRS had 95,796 eligible benefit recipients.

For SERS, coverage is made available to service retirees with ten or more fiscal years of qualifying service credit, and to disability and survivor benefit recipients. Members retiring on or after August 1, 1989, with less than twenty-five years of service credit must pay a portion of their premium for health care. The portion is based on years of service up to a maximum of 75 percent of the premium.

After the allocation for basic benefits, the remainder of the employer's 14 percent contribution is allocated to providing health care benefits. For the fiscal year ended June 30, 2000, employer contributions to fund health care benefits were 8.5 percent of covered payroll, an increase from 6.3 percent for fiscal year 1999. In addition, SERS levies a surcharge to fund health care benefits equal to 14 percent of the difference between a minimum pay and the member's pay, prorated for partial service credit. For fiscal year 2000, the minimum pay was established at \$12,400. For the School District, the amount contributed to fund health care benefits, including the surcharge, during the 2000 fiscal year equaled \$136,593.

The surcharge, added to the unallocated portion of the 14 percent employer contribution rate, provides for maintenance of the asset target level for the health care fund. The target level for the health care reserve is 150 percent of the annual health care expenses. Expenses for health care for the fiscal year ended June 30, 1999 (the latest information available), were \$126,380,984 and the target level was \$189.6 million. At June 30, 1999, SERS had net assets available for payment of health care benefits of \$188.0 million. SERS has approximately 51,000 participants currently receiving health care benefits.

**Note 14 - Other Employee Benefits**

***A. Compensated Absences***

The criteria for determining vacation and sick leave components are derived from negotiated agreements and State laws. Classified employees earn five to twenty-five days of vacation per year, depending upon length of service. Accumulated unused vacation time is paid to classified employees upon termination of employment. Teachers and administrators, who are not on a twelve month contract, do not earn vacation time. Teachers, administrators and classified employees earn sick leave at the rate of one and one-half days per month. There is no limit to the amount of sick leave that may be accumulated. Upon retirement, payment is made for one-fourth of the total sick leave accumulation, up to a maximum of 225 days.

**SOUTH POINT LOCAL SCHOOL DISTRICT  
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***NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
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**Note 14 - Other Employee Benefits (Continued)**

**B. Health Care Benefits**

Health, dental and vision insurance is provided by Central Benefits. Premiums for these coverages are \$480, \$43.70 and \$8.90 for family coverage and \$210, \$13.20 and \$3.73 for single coverage, respectively. The School District pays 70% of these premiums.

**Note 15 - Capitalized Leases - Lessee Disclosure**

In prior years, the School District entered into capital leases for office equipment. The leases meet the criteria of a capital lease as defined by Statement of Financial Accounting Standards No. 13, "Accounting for Leases," which defines a capital lease generally as one which transfers benefits and risks of ownership to the lessee. Capital lease payments have been reclassified and are reflected as debt service expenditures in the general purpose financial statements. These expenditures are reflected as program/function expenditures on a budgetary basis.

Fixed assets acquired by lease have been capitalized in the general fixed assets account group in the amount of \$54,090, which is equal to the present value of the future minimum lease payments at the time of acquisition. A corresponding liability was recorded in the general long-term obligations account group.

The following is a schedule of the future minimum lease payments required under the capital lease and the present value of the minimum lease payments as of June 30, 2000:

Fiscal Year Ending June 30,	General Long-Term Obligations
2001	\$20,039
2002	5,493
Total minimum lease payments	25,532
Less: amount representing interest	(1,358)
Present value of minimum lease payments	\$24,174

**Note 16 - Long-Term Obligations**

Changes in long-term obligations of the School District during fiscal year 2000, were as follows:

	Principal Outstanding 6/30/99	Additions	Deductions	Principal Outstanding 6/30/00
Capital Leases	\$41,518	\$0	\$17,344	\$24,174
General Obligation Bonds:				
School Improvement Bond 1982 11.125%	1,150,000	0	190,000	960,000
Compensated Absences	2,167,404	72,859	241,034	1,999,229
Pension Obligations	93,522	101,218	93,522	101,218
Total General Long-Term Obligations	\$3,452,444	\$174,077	\$541,900	\$3,084,621

The capital lease obligation will be paid from the General Fund. The school improvement bond will be paid from the Debt Service Fund. Compensated absences and pension obligations will be paid from the fund from which the employees' salaries are paid.

**SOUTH POINT LOCAL SCHOOL DISTRICT  
LAWRENCE COUNTY**

***NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2000***

**Note 16 - Long-Term Obligations (Continued)**

The School District's overall legal debt margin was \$12,239,013, with an unvoted debt margin of \$135,898 at June 30, 2000.

Principal and interest requirements to retire general obligation bonds outstanding at June 30, 2000, are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2001	\$190,000	\$106,800	\$296,800
2002	190,000	85,663	275,663
2003	190,000	64,525	254,525
2004	195,000	43,388	238,388
2005	195,000	21,694	216,694
	\$960,000	\$322,070	\$1,282,070

**Note 17 - Interfund Receivables/Payables**

Interfund receivables and payables at June 30, 2000, consist of the following individual balances:

	Interfund Receivable	Interfund Payable
General Fund	\$26,911	\$0
Special Revenue Fund		
Professional Development	0	2,242
Title VI-B	0	5,995
Chapter I	0	11,038
Chapter II	0	895
US Department of Education	0	6,741
Total Special Revenues Funds	0	26,911
Total All Funds	\$26,911	\$26,911

**Note 18 - School Funding Court Decision**

On March 24, 1997 the Ohio Supreme Court rendered a decision declaring certain portions of the Ohio school funding plan unconstitutional. The Court stayed the effect of its ruling for one year to allow the State's legislature to design a plan to remedy the perceived defects in that system. Declared unconstitutional was the State's "school foundation program", which provides significant amounts of monetary support to the School District. During the fiscal year ended June 30, 2000, the School District received \$7,442,166 of school foundation support for its General Fund.

Since the Supreme Court ruling, numerous pieces of legislation have been passed by the State legislature in an attempt to address the issues identified by the Court. The Court of Common Pleas in Perry County has reviewed the new laws and, in a decision issued on February 26, 1999, determined they are not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution.



**SOUTH POINT LOCAL SCHOOL DISTRICT  
LAWRENCE COUNTY**

***NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2000***

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**Note 18 - School Funding Court Decision (Continued)**

The State appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Ohio Supreme Court rendered an opinion on this issue. The Court concluded, "...the mandate of the [Ohio] Constitution has not been fulfilled." The Court's majority recognized efforts by the Ohio General Assembly taken in response to the Court's March 24, 1997, decision, however, it found seven "...major areas warranting further attention, study, and development by the General Assembly...", including the State's reliance on local property tax funding, the state's basic aid formula, the school foundation program, as discussed above, the mechanism for, and adequacy of, funding for school facilities, and the existence of the State's School Solvency Assistance Fund, which the Court found took the place of the unconstitutional emergency school loan assistance program.

The Court decided to maintain jurisdiction over these issues and continued the case at least until June 15, 2001.

As of the date of these financial statements, the School District is unable to determine what effect, if any, this ongoing litigation will have on its future State funding under this program and on its financial operations.

**Note 19 - Contingencies**

***A. Grants***

The School District received financial assistance from federal and state agencies in the form of grants. The disbursement of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and is subject to audit by the grantor agencies. Any disallowed claims resulting from such audits could become a liability of the general fund or other applicable funds. However, in the opinion of management, any such disallowed claims will not have a material adverse effect on the overall financial position of the School District at June 30, 2000.

***B. Litigation***

The School District is party to legal proceedings. The School District's management is of the opinion that ultimate disposition of these claims and legal proceedings will not have a material effect, if any, on the financial condition of the School District, except as indicated below.

The School District anticipates filing a lawsuit against the third party administrator of its self-insurance program, questioning the accuracy of the intergovernmental payable amount presented in these financial statements.

**Note 20 - Set-Aside Calculations and Fund Reserves**

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 purchase of textbooks and other instructional materials and an equal amount for the acquisition and construction of capital improvements. Amounts not spent by year-end or offset by similarly restricted resources received during the year must be held in cash at year-end and carried forward to be used for the same purposes in future years. The School District is also required to set aside money for budget stabilization.

The following cash basis information describes the change in the year-end set-aside amounts for textbooks, capital acquisition and budget stabilization. Disclosure of this information is required by State statute.

**SOUTH POINT LOCAL SCHOOL DISTRICT  
LAWRENCE COUNTY**

***NOTES TO THE GENERAL PURPOSE FINANCIAL STATEMENTS  
JUNE 30, 2000***

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**Note 20 - Set-Aside Calculations and Fund Reserves (Continued)**

	Textbooks	Capital Acquisition	Budget Stabilization
Set-aside Cash Balance, June 30, 1999	\$85,030	\$0	\$133,722
Current Year Set-aside Requirement	197,741	197,741	0
Qualifying Disbursements	(130,838)	0	0
Total Set aside Reserve Balance, June 30, 2000	<u>\$151,933</u>	<u>\$197,741</u>	<u>\$133,722</u>
Set Aside Balance Carried Forward to Future Fiscal Year	<u>\$151,933</u>	<u>\$197,741</u>	<u>\$133,722</u>

The total amount for the three set asides at the end of the fiscal year was \$483,396.

SOUTH POINT LOCAL SCHOOL DISTRICT  
LAWRENCE COUNTY

SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000

<u>Federal Grantor/ Pass Through Grantor Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass Through Entity Number</u>	<u>Receipts</u>	<u>Noncash Receipts</u>	<u>Disbursements</u>	<u>Noncash Disbursements</u>
<b><u>U.S. DEPARTMENT OF AGRICULTURE</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Nutrition Cluster:						
Food Distribution Program	10.550	N/A	\$ 0	\$ 32,580	\$ 0	\$ 34,621
National School Breakfast Program	10.553	05-PU 99/00	90,544	0	90,544	0
National School Lunch Program	10.555	03/04-PU 99/00	<u>209,728</u>	<u>0</u>	<u>209,728</u>	<u>0</u>
Total Nutrition Cluster			<u>300,272</u>	<u>32,580</u>	<u>300,272</u>	<u>34,621</u>
Total U.S. Department of Agriculture			300,272	32,580	300,272	34,621
<b><u>U.S. DEPARTMENT OF EDUCATION</u></b>						
<i>Passed Through Ohio Department of Education:</i>						
Title I Grants to Local Educational Agencies	84.010	C1-S1 99/00	522,298	0	564,813	0
Special Education - Grants to States	84.027	6B-SF/SX 98/99/00	80,150	0	123,294	0
Safe and Drug-Free Schools and Communities Grant	84.186	DR-S1/SP 99/00	8,679	0	7,960	0
Eisenhower Professional Development State Grant	84.281	MS-S1 99/00	4,372	0	18,636	0
Innovative Education Program Strategies	84.298	C2-S1 99/00	6,476	0	7,382	0
Technology Literacy Challenge Fund Grant	84.318	TF-S2/24/25 98/99	62,500	0	82,018	0
Class Size Reduction Grant	84.340	CR-S1 00	<u>51,471</u>	<u>0</u>	<u>58,208</u>	<u>0</u>
Total U.S. Department of Education			735,946	0	862,311	0
<b><u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u></b>						
<i>Passed Through Ohio Department of Mental Retardation and Developmental Disabilities:</i>						
Medical Assistance Program	93.778	N/A	<u>21,869</u>	<u>0</u>	<u>21,869</u>	<u>0</u>
Total U.S. Department of Health and Human Services			<u>21,869</u>	<u>0</u>	<u>21,869</u>	<u>0</u>
<b>Total Federal Awards Receipts and Expenditures</b>			<b><u>\$ 1,058,087</u></b>	<b><u>\$ 32,580</u></b>	<b><u>\$ 1,184,452</u></b>	<b><u>\$ 34,621</u></b>

The accompanying notes to this Schedule of Federal Awards Receipts and Expenditures are an integral part of this Schedule.

**SOUTH POINT LOCAL SCHOOL DISTRICT  
LAWRENCE COUNTY**

**NOTES TO THE SCHEDULE OF FEDERAL AWARDS RECEIPTS AND EXPENDITURES  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

**NOTE A - SIGNIFICANT ACCOUNTING POLICIES**

The accompanying Schedule of Federal Awards Receipts and Expenditures (the Schedule) is a summary of the School District's federal award programs. The Schedule has been prepared on the cash basis of accounting.

**NOTE B - FOOD DISTRIBUTION**

Non-monetary assistance, such as food received from the U.S. Department of Agriculture, is reported in the Schedule at the fair market value of the commodities received and consumed. Cash receipts from the U.S. Department of Agriculture are commingled with State grants. It is assumed federal monies are expended first. At June 30, 2000, the School District had food commodities valued at \$4,664 in inventory.



STATE OF OHIO  
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON  
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

South Point Local School District  
Lawrence County  
203 Park Avenue  
South Point, Ohio 45680

To the Board of Education:

We have audited the accompanying general purpose financial statements of the South Point Local School District, Lawrence County, Ohio (the School District), as of and for the year ended June 30, 2000, and have issued our report thereon dated February 2, 2001. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

**Compliance**

As part of obtaining reasonable assurance about whether the School District's general purpose financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* and is described in the accompanying Schedule of Findings as item 2000-10744-001. We also noted certain immaterial instances of noncompliance that we have reported to management of the School District in a separate letter dated February 2, 2001.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the School District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the School District in a separate letter dated February 2, 2001.

South Point Local School District  
Lawrence County  
Report of Independent Accountants on Compliance and on  
Internal Control Required by *Government Auditing Standards*  
Page 2

This report is intended for the information and use of the management, the Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

February 2, 2001



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

South Point Local School District  
Lawrence County  
203 Park Avenue  
South Point, Ohio 45680

To the Board of Education:

**Compliance**

We have audited the compliance of the South Point Local School District, Lawrence County, Ohio (the School District), with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133, Compliance Supplement* that are applicable to its major federal programs for the year ended June 30, 2000. The School District's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal programs is the responsibility of the School District's management. Our responsibility is to express an opinion on the School District's compliance based on our audit.

We conducted our audit of compliance in accordance with generally accepted auditing standards; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance occurred with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program. An audit includes examining, on a test basis, evidence about the School District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on the School District's compliance with those requirements.

In our opinion, the School District complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2000. However, we noted an instance of noncompliance that does not require inclusion in this report that we have reported to management of the School District in a separate letter dated February 2, 2001.

**Internal Control Over Compliance**

The management of the School District is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the School District's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over federal compliance that do not require inclusion in this report, that we have reported to management of the School District in a separate letter dated February 2, 2001.

This report is intended for the information and use of the management, the Board of Education, and federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

**Jim Petro**  
Auditor of State

February 2, 2001



**SOUTH POINT LOCAL SCHOOL DISTRICT  
LAWRENCE COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 §.505  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

<b>1. SUMMARY OF AUDITOR'S RESULTS</b>
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<b>(d)(1)(i)</b>	<b>Type of Financial Statement Opinion</b>	Unqualified
<b>(d)(1)(ii)</b>	<b>Were there any material control weakness conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(ii)</b>	<b>Were there any other reportable conditions reported at the financial statement level (GAGAS)?</b>	No
<b>(d)(1)(iii)</b>	<b>Was there any reported material noncompliance at the financial statement level (GAGAS)?</b>	Yes
<b>(d)(1)(iv)</b>	<b>Were there any material internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(iv)</b>	<b>Were there any other reportable internal control weakness conditions reported for major federal programs?</b>	No
<b>(d)(1)(v)</b>	<b>Type of Major Programs' Compliance Opinion</b>	Unqualified
<b>(d)(1)(vi)</b>	<b>Are there any reportable findings under §.510?</b>	No
<b>(d)(1)(vii)</b>	<b>Major Programs (list):</b>	Title I Grants to Local Educational Agencies CFDA #84.010  Nutrition Cluster - CFDA #10.550, 10.553, 10.555
<b>(d)(1)(viii)</b>	<b>Dollar Threshold: Type A/B Programs</b>	Type A: > \$300,000 Type B: all others
<b>(d)(1)(ix)</b>	<b>Low Risk Auditee?</b>	No

**SOUTH POINT LOCAL SCHOOL DISTRICT  
LAWRENCE COUNTY**

**SCHEDULE OF FINDINGS  
OMB CIRCULAR A-133 §.505  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000  
(Continued)**

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

**FINDING NUMBER 2000-10744-001**

**Noncompliance Citation**

Ohio Rev. Code Section 5705.41(B) states no subdivision or taxing unit is to expend money unless it has been appropriated.

Disbursements plus encumbrances exceeded appropriations plus prior year carryover encumbrances at the fund level, which is the School District's legal level of control, as of the following dates:

September 30, 1999

Management Information Systems Fund	\$ 395	( 14%)
Instructional Material Subsidy Fund	3,156	( 21%)
Tech Equity Fund	989	( 79%)

May 30, 2000

Principal Fund	\$ 13,001	( 16%)
Martha Holden Jennings Fund	921	( 100%)
School Improvement Fund	4,069	( 834%)
Management Information Systems Fund	667	( 23%)
DPIA Fund	229,021	( 51%)
Miscellaneous State Grant Fund	4,250	( 48%)
Dwight D. Eisenhower Fund	3,001	( 25%)
Title VI Fund	1,908	( 84%)
Drug Free Grant Fund	8,204	(1,272%)
Tech Equity Fund	16,139	(1,282%)
Emergency Building Repair Fund	2,179	( 15%)

We recommend the Treasurer and Board of Education monitor disbursements and appropriations on a monthly basis and take appropriate steps, such as passing supplemental appropriations, to ensure that the disbursements of the School District do not exceed the appropriations at the legal level of control.

**3. FINDINGS FOR FEDERAL AWARDS**

None.

**SOUTH POINT LOCAL SCHOOL DISTRICT  
LAWRENCE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
OMB CIRCULAR A-133 §.315(b)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain:</b>
1999-10744-001	A material weakness was issued due to the inability to reconcile cash held by the fiscal agent for self-insurance and amounts recorded by the School District's third-party administrator.	Yes	N/A

**SOUTH POINT LOCAL SCHOOL DISTRICT  
LAWRENCE COUNTY**

**CORRECTIVE ACTION PLAN  
OMB CIRCULAR A-133 §.315(c)  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2000-10744-001	The School District intends to monitor budgetary data monthly along with financial statements to ensure appropriations do not exceed estimated resources.	06/30/01	Sandra Benson, Treasurer



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**SOUTH POINT LOCAL SCHOOL DISTRICT**

**LAWRENCE COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
FEBRUARY 20, 2001**