



OHIO AUDITOR OF STATE
KEITH FABER



**VILLAGE OF SOUTH POINT
LAWRENCE COUNTY
DECEMBER 31, 2024**

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INDEPENDENT AUDITOR'S REPORT

Village of South Point
Lawrence County
415 Solida Road
South Point, Ohio 45680

To the Village Council:

Report on the Audit of the Financial Statements

Unmodified and Adverse Opinions

We have audited the financial statements of the Village of South Point, Lawrence County, Ohio (the Village), which comprises the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2024, and the related notes to the financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the cash balances, receipts and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2024, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2024, or the changes in financial position or, where applicable, cash flows thereof for the year then ended.

Basis for Opinions

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

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 2 of the financial statements, the financial statements are prepared by the Village on the basis of the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements. The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 2 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Supplementary Information

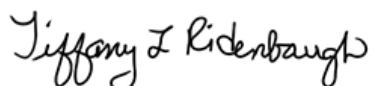
Our audit was conducted for the purpose of forming opinions on the Village's financial statements. The Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 11, 2025, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

December 11, 2025

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Village of South Point, Ohio
Lawrence County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Governmental Fund Types
For the Year Ended December 31, 2024

	General	Special Revenue	Debt Service	Capital Projects	Totals (Memorandum Only)
Cash Receipts					
Property and Other Local Taxes	\$354,963	\$318,560			\$673,523
Intergovernmental	55,109	1,171,700			1,226,809
Special Assessments		2,172			2,172
Charges for Services	1,394	12,000			13,394
Licenses, Permits and Fees	63,930				63,930
Fines, Forfeitures and Settlements	302,613	10,428			313,041
Earnings on Investments	31,024	6,446			37,470
Miscellaneous	60,992	58,569			119,561
<i>Total Cash Receipts</i>	<u>870,025</u>	<u>1,579,875</u>	<u>0</u>	<u>0</u>	<u>2,449,900</u>
Cash Disbursements					
Current:					
Security of Persons and Property	14,060	923,788			937,848
Public Health Services		22,840			22,840
Basic Utility Services		23,380		889	24,269
Transportation		394,977			394,977
General Government	290,494	17,003			307,497
Capital Outlay	3,200	1,013,865		1,848,826	2,865,891
Debt Service:					
Principal Retirement			130,113	126,368	256,481
Interest and Fiscal Charges			30,558	38,743	69,301
<i>Total Cash Disbursements</i>	<u>307,754</u>	<u>2,395,853</u>	<u>160,671</u>	<u>2,014,826</u>	<u>4,879,104</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>562,271</u>	<u>(815,978)</u>	<u>(160,671)</u>	<u>(2,014,826)</u>	<u>(2,429,204)</u>
Other Financing Receipts (Disbursements)					
Loans Issued		333,572		2,004,617	2,338,189
Sale of Capital Assets		1,025			1,025
Transfers In		556,010	172,206	42,400	770,616
Transfers Out	(512,076)	(80,600)			(592,676)
Other Financing Uses	(16,308)				(16,308)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(528,384)</u>	<u>810,007</u>	<u>172,206</u>	<u>2,047,017</u>	<u>2,500,846</u>
<i>Net Change in Fund Cash Balances</i>	<u>33,887</u>	<u>(5,971)</u>	<u>11,535</u>	<u>32,191</u>	<u>71,642</u>
<i>Fund Cash Balances, January 1</i>	<u>267,445</u>	<u>1,107,142</u>	<u>139,321</u>	<u>11,816</u>	<u>1,525,724</u>
<i>Fund Cash Balances, December 31</i>	<u>\$301,332</u>	<u>\$1,101,171</u>	<u>\$150,856</u>	<u>\$44,007</u>	<u>\$1,597,366</u>

See accompanying notes to the basic financial statements

Village of South Point, Ohio
Lawrence County
Combined Statement of Receipts, Disbursements
and Changes in Fund Balances (Regulatory Cash Basis)
All Proprietary Fund Types
For the Year Ended December 31, 2024

	<u>Enterprise</u>
Operating Cash Receipts	
Charges for Services	<u>\$2,602,473</u>
<i>Total Operating Cash Receipts</i>	<u>2,602,473</u>
Operating Cash Disbursements	
Personal Services	667,418
Employee Fringe Benefits	573,954
Contractual Services	780,626
Supplies and Materials	<u>330,870</u>
<i>Total Operating Cash Disbursements</i>	<u>2,352,868</u>
<i>Operating Income (Loss)</i>	<u>249,605</u>
Non-Operating Receipts (Disbursements)	
Property and Other Local Taxes	
Intergovernmental Receipts	644,833
Miscellaneous Receipts	12,421
Capital Outlay	(758,601)
Principal Retirement	(157,697)
Interest and Other Fiscal Charges	<u>(37,090)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(296,134)</u>
<i>Income (Loss) before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	(46,529)
Transfers In	218,724
Transfers Out	<u>(396,664)</u>
<i>Net Change in Fund Cash Balances</i>	(224,469)
<i>Fund Cash Balances, January 1</i>	<u>1,084,029</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$859,560</u></u>

See accompanying notes to the basic financial statements

Village of South Point, Ohio

Lawrence County

*Combined Statement of Additions, Deductions
and Changes in Fund Balances (Regulatory Cash Basis)*

All Fiduciary Fund Types

For the Year Ended December 31, 2024

	<u>Custodial</u>
	<u>Mayor's Court</u>
Additions	
Fines, Forfeitures and Settlements for Distribution	<u>320,499</u>
<i>Total Additions</i>	<u>320,499</u>
Deductions	
Distributions to Governments	<u>320,499</u>
<i>Total Deductions</i>	<u>320,499</u>
<i>Net Change in Fund Balances</i>	0
<i>Fund Cash Balances, January 1</i>	<u> </u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$0</u></u>
<i>See accompanying notes to the basic financial statements</i>	

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Village of South Point, Ohio
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 1 – Reporting Entity

The Village of South Point (the Village), Lawrence County, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly elected six-member Council directs the Village. The Village provides water and sewer utilities, park operations, and police services. The Village appropriates special revenue fund money to support a volunteer fire department.

Joint Ventures, Jointly Governed Organizations, Public Entity Risk Pools and Related Organizations

The Village participates in a public entity risk pool and is associated with a related organization. Note 6 to the financial statements provide additional information for this entity. The Village's management believes these financial statements present all activities for which the Village is financially accountable.

Note 2 – Summary of Significant Accounting Policies

Basis of Presentation

The Village's financial statements consist of a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all governmental fund types, and a combined statement of receipts, disbursements and changes in fund balances (regulatory cash basis) for all proprietary fund types and a combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types which are all organized on a fund type basis.

Fund Accounting

The Village uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The funds of the Village are presented below:

General Fund The general fund accounts for and reports all financial resources not accounted for and reported in another fund. The general fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Special Revenue Funds These funds account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. The Village had the following significant Special Revenue Funds:

Street Construction Fund The street construction maintenance and repair fund accounts for and reports that portion of the State gasoline tax restricted for construction, maintenance, and repair of streets within the Village.

Police Department Fund The Police Department Fund receives operating money from a 3-mill property tax levy approved by voters on November 4, 2015, to run for a continuing period and supplemental revenue from the General Fund. The fund pays the personnel expense, fuel, utilities, supplies, and capital improvements such as equipment.

Village of South Point, Ohio
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Debt Service Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest. The Village had the following significant Debt Service Funds:

2015 Street Repaving Bond Fund The street repaving bond fund was established for repayment of general obligation bonds related to a street repaving construction project. The monies transferred into the fund are restricted for debt payments.

Fire Truck Loan 2020 The fire truck loan 2020 was established for repayment of a loan given by PNC Equipment Finance, LLC. The loan was used to purchase a new Pierce Ford 4 door mini pumper fire truck for the fire department. The monies transferred into the fund are restricted for debt payments.

Vacuum Truck Loan 2021 The vacuum truck loan 2021 was established for repayment of a loan given by U.S. Bancorp Government Leasing and Finance, Inc. The loan was used to purchase a new 2021 Vactor 2110 Combination Sewer Cleaner Vacuum Truck for the sewer department. The monies transferred into the fund are restricted for debt payments.

Tiffany Lane Loan 2025 The Tiffany Lane Loan 2025 was established for repayment of a loan given by Ohio Public Works Commission (OPWC). The loan was used to replace storm sewer and for Street repair. The monies transferred into the fund are restricted for debt payments.

Capital Project Funds These funds account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities and other capital assets. The Village had the following significant capital project funds:

Waterline Replacement Solida, 9th & Park Fund The Waterline Replacement Solida, 9th & Park Fund accounts for and reports proceeds of a loan. The proceeds are restricted for the purpose of replacing waterlines in the designated area.

Waterline Replacement 4th Street The Waterline Replacement 4th Street accounts for and reports proceeds of a loan. The proceeds are restricted for the purpose of replacing waterlines in the designated area.

Waterline Replacement 4th Phase 3 The Waterline Replacement Phase 3 accounts for and reports proceeds of a loan. The proceeds are restricted for the purpose of replacing waterlines in the designated area.

Enterprise Funds These funds account for operations that are similar to private business enterprises, where management intends to recover the significant costs of providing certain goods or services through user charges. The Village had the following significant Enterprise Funds:

Water Fund The water fund accounts for the provision of water treatment and distribution to the residents and commercial users located within the Village.

Sewer Fund The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Village of South Point, Ohio
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Fiduciary Funds Fiduciary funds include private purpose trust funds, investment trust funds, and custodial funds. Trust funds account for assets held under a trust agreement meeting certain criteria.

The Village had no trust funds.

Custodial funds are purely custodial in nature and are used to report fiduciary activity that is not required to be reported in a trust fund. The Village's custodial fund accounts for its Mayor's Court.

For regulatory purposes, certain own source revenues are permitted to flow through clearing funds presented as custodial funds. The amounts distributed to the other funds of the entity are identified on the combined statement of additions, deductions and changes in fund balances (regulatory cash basis) all fiduciary fund types. Also, for regulatory purposes, certain deposits and clearing funds are permitted to be presented as custodial funds.

Basis of Accounting

These financial statements follow the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 (C) permit.

Budgetary Process

The Ohio Revised Code requires that each fund (except certain custodial funds) be budgeted annually.

Appropriations Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function or object level of control, and appropriations may not exceed estimated resources. The Village Council must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end.

Estimated Resources Estimated resources include estimates of cash to be received (budgeted receipts) plus unencumbered cash as of January 1. The County Budget Commission must approve estimated resources.

Encumbrances The Ohio Revised Code requires the Village to reserve (encumber) appropriations when individual commitments are made. Encumbrances outstanding at year end are carried over and need not be reappropriated.

A summary of 2024 budgetary activity appears in Note 3.

Village of South Point, Ohio
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Deposits and Investments

The Village's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

Investment in STAR Ohio is measured at the net asset value (NAV) per share provided by STAR Ohio. The NAV per share is calculated on an amortized cost basis that provides an NAV per share that approximates fair value.

Capital Assets

The Village records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

Accumulated Leave

Village employees earn sick and vacation time that can be used for time off. In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

Leases

The Village is the lessee in various leases (as defined by GASB 87) related to buildings, vehicles, and other equipment under noncancelable leases. Lease revenue/disbursements are recognized when they are received/paid.

Settlement Monies

Ohio has reached settlement agreements with various distributors of opioids which are subject to OneOhio memorandum of understanding. The original settlement was reached in 2021 with annual payments anticipated through 2038. For 2024, distributions of \$2,502 are reflected as miscellaneous revenue in the General Fund in the accompanying financial statements. From AOS Bulletin 2022-003 this should have been posted to a separate Special Revenue Fund. In April 2025, the Fiscal Officer noticed this and created a separate Special Revenue Fund: Opioid Settlement and transferred the monies received in 2024 to this fund.

Fund Balance

Fund balance is divided into five classifications based primarily on the extent to which the Village must observe constraints imposed upon the use of its governmental-fund resources. The classifications are as follows:

Nonspendable The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact. For regulatory purposes nonspendable fund balance includes unclaimed monies that are required to be held for five years before they may be utilized by the Village and the nonexpendable portion of the corpus in permanent funds.

Village of South Point, Ohio
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2024

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

Committed Council can *commit* amounts via formal action (resolution). The Village must adhere to these commitments unless the Council amends the resolution. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed to satisfy contractual requirements.

Assigned Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. For regulatory purposes, assigned fund balance in the general fund is limited to encumbrances outstanding at year end.

Unassigned Unassigned fund balance is the residual classification for the general fund and includes amounts not included in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance.

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

For regulatory purposes, limited disclosure related to fund balance is included in Note 11.

Note 3 – Budgetary Activity

Budgetary activity for the year ending December 31, 2024 as follows:

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$781,000	\$870,025	\$89,025
Special Revenue	1,288,356	2,470,482	1,182,126
Debt Service	148,400	172,206	23,806
Capital Projects	4,936,220	2,047,017	(2,889,203)
Enterprise	3,250,820	3,478,451	227,631
Total	<u>\$10,404,796</u>	<u>\$9,038,181</u>	<u>(\$1,366,615)</u>

Village of South Point, Ohio
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2024

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$929,345	\$836,437	\$92,908
Special Revenue	2,387,788	2,594,972	(207,184)
Debt Service	160,688	160,671	17
Capital Projects	4,913,151	2,014,826	2,898,325
Enterprise	4,021,069	3,702,921	318,148
Total	<u>\$12,412,041</u>	<u>\$9,309,827</u>	<u>\$3,102,214</u>

Note 4 – Deposits and Investments

To improve cash management, cash received by the Village is pooled. Monies for all funds are maintained in this pool. The Ohio Revised Code prescribes allowable deposits and investments. A summary of the Village's deposit and investment accounts are as follows:

	2024
Demand deposits	\$1,768,790
STAR Ohio	688,136
Total Deposits and Investments	<u>\$2,456,926</u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2024, the village is holding \$0 in unremitted employee payroll withholdings.

Deposits

Deposits are insured by the Federal Deposit Insurance Corporation; or collateralized through the Ohio Pooled Collateral System (OPCS), a collateral pool of eligible securities deposited with a qualified trustee and pledged to the Treasurer of State to secure the repayment of all public monies deposited in the financial institution.

Investments

Investments in STAR Ohio and mutual funds are not evidenced by securities that exist in physical or book-entry form.

Note 5 – Taxes

Property Taxes

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property

Village of South Point, Ohio
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2024

owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

Public utilities are also taxed on personal and real property located within the Village.

The County is responsible for assessing property and for billing, collecting, and distributing all property taxes on behalf of the Village.

Note 6 – Risk Management

Workers' Compensation

Workers' Compensation coverage is provided by the State of Ohio. The Village pays the State Workers' Compensation System a premium based on a rate per \$100 of salaries. This rate is calculated based on accident history and administrative costs.

Risk Pool Membership

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), an unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management programs and other administrative services to Ohio governments ("Members"). The Plan is legally separate from its member governments.

Pursuant to Section 2744.081 of the Ohio Revised Code, the plan provides property, liability, errors and omissions, law enforcement, automobile, excess liability, crime, surety and bond, inland marine and other coverages to its members sold through fourteen appointed independent agents in the State of Ohio.

Effective November 1, 2016, the OPRM elected to participate in a property loss corridor deductible. The property corridor includes losses paid between 70% and 75%. In 2018, the casualty loss corridor was eliminated, and the property corridor was adjusted to losses paid between 65% and 70%. Effective November 1, 2019, the property loss corridor was adjusted to losses between 60% and 67.5% and remained the same through October 31, 2022. Effective November 1, 2022, the property loss corridor was eliminated. OPRM had 847 members as of December 31, 2024.

The Pool's audited financial statements conform with accounting principles generally accepted in the United States of America, with the exception of a qualified opinion related to recording premiums and membership fees earned in full as of December 31, 2024. Those premiums and fees should be earned pro-rata over the individual coverage and membership periods of each policy. The financial statements reported the following assets, liabilities and equity at December 31, 2024.

Assets \$ 24,456,615

Liabilities (16,692,162)

Members' Equity \$ 7,764,453

You can read the complete audited financial statements for OPRM at the Plan's website, www.ohioplan.org.

Village of South Point, Ohio
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 7 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

Some Village employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2024.

Ohio Police and Fire Retirement System

Village's full-time Police Officers belong to the Ohio Police and Fire Pension Fund (OP&F). OP&F is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement health care and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. OP&F participants contributed 12.25 percent of their wages. The Village contributed to OP&F an amount equal to 19.5 percent of full-time police members' wages. The Village has paid all contributions required through December 31, 2024.

Social Security

Other Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants. Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2024.

Note 8 – Postemployment Benefits

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. OP&F uses a stipend-based health care model. A stipend funded by OP&F is placed in individual Health Reimbursement Accounts that retirees use to be reimbursed for health care expenses. For calendar year 2024, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves. OP&F contributes 0.5 percent to fund these benefits.

Note 9 – Debt

Debt outstanding at December 31, 2024, was as follows:

Village of South Point, Ohio
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2024

	<u>Principal</u>	<u>Interest Rate</u>
Solida Sewer Bond	\$468,000	2.80%
OPWC Sewer Improvement Bond	\$182,475	0.00%
WWTP Clarifiers Rehab Bond OWDA	\$603,412	2.63%
Ohio Water Development Authority Loan 9464	\$1,120,807	0.34%
Ohio Water Development Authority Loan 9634	\$1,532,528	0.39%
Ohio Water Development Authority Loan 10556	\$1,774,077	3.11%
Lawrence County Bonds - Tiffany Lane	\$360,163	3.51%
OPWC Loan - Tiffany Lane	<u>\$322,923</u>	0.00%
Total	<u><u>\$6,364,385</u></u>	

The Solida Sewer General Obligation Bond was issued at \$914,000 in 2002 for the purpose of paying a portion of cost related to the construction of sanitary sewer system improvements. The outstanding principal of \$720,000 was refinanced with the Lawrence County Neighborhood Investment Program in 2017. It is currently scheduled to mature in 2037.

The Sewer (issued in 2009 at \$811,000) Improvement Bonds were issued through Ohio Public Works Commission for construction loans related to the Village's infrastructure in these areas. The Sewer Improvement Bonds will mature in 2037.

The Waste Water Treatment Plant Clarifiers Rehab loan with Ohio Water Development Authority was issued in 2018 at 2.63% interest for the purpose of rebuilding 4 of the waste water plants clarifiers. The 20-year loan will mature in 2038.

The Ohio Water Development Authority Loan 9464 is the construction loan related to a waterline replacement project on Solida, 9th and Park Streets. The 30-year loan will mature in 2053.

The Ohio Water Development Authority Loan 9634 is the construction loan related to a waterline replacement project on 4th Street (Phase 3). The 30-year loan will mature in 2053.

The Ohio Water Development Authority Loan 10556 is the construction loan related to a waterline replacement project and meters. The 30-year loan will mature in 2056. This loan is not yet finalized, so there is no amortization schedule.

The Lawrence County Tiffany Lane Bond was issued at \$413,271 in 2023 for the purpose of paying a portion of cost related to a street project. The bonds will mature in 2028.

The OPWC Loan for Tiffany Lane was issued at \$97,856 in 2023 and in 2024 was issued at \$328,396 for the purpose of sewer replacements and street repair of Tiffany Lane. The loans will mature in 2053.

The Village's taxing authority collateralized the bonds with the exception of the Water and Sewer system related bonds which are secured by their respective utility receipts.

Financed Purchases

<u>Principal</u>	<u>Interest Rate</u>
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Village of South Point, Ohio
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Fire Truck Lease – PNC	\$136,685	3.17%
Vacuum Truck Lease – US Bank	\$240,681	2.275%
Police Vehicles Lease – First Gov. Lease Co.	\$333,572	8.00%
Total	<u>\$710,938</u>	

The Fire Truck Lease was financed through PNC Bancorp. It was entered into to purchase a new 2020 Pierce 4 door mini rescue pumper for the fire department. The Lease will end 2029.

The Vacuum Truck Lease was financed through U.S. Bancorp Government Leasing and Financing Inc. The loan is for a new 2021 Vactor 2110 Combination Sewer Cleaner Vacuum Truck for the sewer department. The loan is scheduled to mature in 2028.

The Police Vehicles Lease was financed through First Government Lease Company. The loan is for 3 2024 Dodge Durangos for the police department. The loan is scheduled to mature in 2030.

Amortization

Amortization of the above debt, including interest, is scheduled as follows:

Village of South Point, Ohio
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Year Ending December 31:	WWTP Clarifier Rehab OWDA	OPWC	Solida Sewer Bond	Fire Truck Financed Purchase	OWDA Loan #9464	Vacuum Truck Financed Purchase	OPWC - Tiffany Lane	OWDA Loan #9634
2025	\$51,648	\$40,550	\$49,104	\$29,985	\$40,618	\$63,631	\$10,947	\$66,037
2026	51,648	40,550	48,096	29,985	40,618	63,631	10,947	66,037
2027	51,648	40,550	47,088	29,985	40,618	63,631	10,947	66,037
2028	51,648	40,550	46,108	29,985	40,618	63,631	10,947	66,037
2029	51,648	20,275	45,072	29,985	40,618		10,947	66,037
2030-2034	258,238		210,257		203,090		54,733	330,184
2035-2039	206,590		114,054		203,090		54,733	330,184
2040-2044					203,090		54,733	330,184
2045-2049					203,090		54,733	330,184
2050-2054					162,472		49,260	264,147
Total	<u>\$723,068</u>	<u>\$182,475</u>	<u>\$559,779</u>	<u>\$149,923</u>	<u>\$1,177,923</u>	<u>\$254,523</u>	<u>\$322,923</u>	<u>\$1,915,068</u>

Year Ending December 31:	Road Improvement Bond, Series 2023 (Lawrence County)	Police Vehicles Lease Purchase
2025	\$67,613	\$71,000
2026	67,613	71,000
2027	67,613	71,000
2028	196,058	71,000
2029		71,000
2030-2034		71,000
2035-2039		
2040-2044		
2045-2049		
2050-2054		
Total	<u>\$398,897</u>	<u>\$426,000</u>

Note 10 – Contingent Liabilities

The Village is involved in pending lawsuits. Although management cannot presently determine the outcome of these suits, management believes that the resolution of these matters will not materially adversely affect the Village's financial condition.

Village of South Point, Ohio
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Amounts grantor agencies pay to the Village are subject to audit and adjustment by the grantor, principally the federal government. The grantor may require refunding any disallowed costs. Management cannot presently determine amounts grantors may disallow. However, based on prior experience, management believes any refunds would be immaterial.

Note 11 – Fund Balances

Included in fund balance are amounts the Village cannot spend, including the balance of unclaimed monies which cannot be spent for five years and the unexpendable corpus of the permanent funds. Encumbrances are commitments related to unperformed contracts for goods or services. Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. At year end the balances of these amounts were as follows:

<u>Fund Balances</u>	<u>General</u>	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Enterprise</u>	<u>Total</u>
Outstanding Encumbrances	300	118,519	0	0	0	118,819

The fund balance of special revenue funds is either restricted or committed. The fund balance of debt service funds and capital projects fund are restricted committed or assigned. The fund balance of permanent funds that is not part of the nonspendable corpus is either restricted or committed. These restricted, committed and assigned amounts in the special revenue, debt service, capital projects and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

Note 12 – Compliance

Contrary to Ohio law (Ohio Rev. Code 5705.10(D)), the Village did not properly post revenues to correct funds. The following material mispostings were noted :

- The Village inappropriately recorded \$2,245 of Intergovernmental Revenue in the General Fund. Given the source of the revenue, this should have been recorded in Street Fund.
- The Village inappropriately recorded \$9,741 of Other Miscellaneous Receipts in the Water Fund. Given the source of the revenue, this should have been recorded in the General Fund.
- The Village inappropriately recorded \$19,354 of Other Fines and Forfeitures in the Police Fund. Given the source of the revenue, this should have been recorded in the General Fund.
- The Village inappropriately recorded \$7,190 of Intergovernmental Revenue in the Street Fund. Given the source of the revenue, this should have been recorded in the Permissive Motor Vehicle License Tax Fund.
- The Village inappropriately recorded \$731,725 of Intergovernmental Revenues in the Waterline Replacement Fund. Given the source of the revenue, this should have been recorded in the Local Fiscal Recovery Fund.

In addition to this, also contrary to Ohio law (Ohio Rev. Code 5705.41(B)), the Village had budgetary expenditures in excess of appropriations in the amounts of \$7,979 and \$324,246 in the Fire and Police Funds, respectively.

Village of South Point, Ohio
Lawrence County
Notes to the Financial Statements
For the Year Ended December 31, 2024

Note 13 – Subsequent Events

In January 2025, the Village was awarded \$280,403, from the Ohio EPA Water Pollution Control Loan for construction of a lift station. In October 2025, the Village was awarded \$143,917, from the Ohio EPA Water Supply Revolving Loan Account as Emerging Contaminant Principal Forgiveness.

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**VILLAGE OF SOUTH POINT
LAWRENCE COUNTY**

**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED DECEMBER 31, 2024**

FEDERAL GRANTOR Pass Through Grantor Program Title	Federal AL Number	Pass Through Entity Identifying Number	Total Federal Expenditures
U.S. DEPARTMENT OF THE TREASURY			
<i>Passed Through Ohio Office of Budget and Management:</i>			
COVID-19 Coronavirus State and Local Fiscal Recovery Fund	21.027	N/A	<u>\$519,295</u>
Total U.S. Department of Treasury			<u>519,295</u>
U.S. ENVIRONMENTAL PROTECTION AGENCY			
<i>Passed Through Ohio Water Development Authority</i>			
Capitalization Grants for Drinking Water State Revolving Funds	66.468	N/A	<u>644,833</u>
Total U.S. Environmental Protection Agency			<u>644,833</u>
Total Expenditures of Federal Awards			<u>\$1,164,128</u>

The accompanying notes are an integral part of this schedule.

**VILLAGE OF SOUTH POINT
LAWRENCE COUNTY**

**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
2 CFR § 200.510(b)(6)
FOR THE YEAR ENDED DECEMBER 31, 2024**

NOTE A – BASIS OF PRESENTATION

The accompanying Schedule of Expenditures of Federal Awards (the Schedule) includes the federal award activity of the Village of South Point (the Village) under programs of the federal government for the year ended December 31, 2024. The information on this Schedule is prepared in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a selected portion of the operations of the Village, it is not intended to and does not present the financial position, changes in net position, or cash flows of the Village.

NOTE B – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

NOTE C – INDIRECT COST RATE

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

OHIO AUDITOR OF STATE KEITH FABER



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

Village of South Point
Lawrence County
415 Solida Road
South Point, Ohio 45680

To the Village Council:

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the cash balances, receipts, and disbursements for each governmental and proprietary fund type and the fiduciary fund type combined total as of and for the year ended December 31, 2024 and the related notes to the financial statements of the Village of South Point, Lawrence County, Ohio (the Village) and have issued our report thereon dated December 11, 2025, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

Report on Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control, described in the accompanying schedule of findings as items 2024-001 through 2024-002 that we consider to be material weaknesses.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings as items 2024-003 and 2024-004.

Village's Response to Findings

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

Purpose of This Report

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

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

December 11, 2025

OHIO AUDITOR OF STATE KEITH FABER

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

Village of South Point
Lawrence County
415 Solida Road
South Point, Ohio 45680

To the Village Council:

Report on Compliance for the Major Federal Program

Qualified Opinion on the Major Federal Program

We have audited the Village of South Point's, Lawrence County, (Village) compliance with the types of compliance requirements identified as subject to audit in the U.S. Office of Management and Budget (OMB) *Compliance Supplement* that could have a direct and material effect on the Village of South Point's major federal program for the year ended December 31, 2024. Village of South Point's major federal program is identified in the *Summary of Auditor's Results* section of the accompanying schedule of findings.

In our opinion, except for the noncompliance described in the *Basis for Qualified Opinion* section of our report, the Village of South Point complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Coronavirus State and Local Fiscal Recovery Fund for the year ended December 31, 2024.

Basis for Qualified Opinion

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

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

Matters Giving Rise to Qualified Opinion on Coronavirus State and Local Fiscal Recovery Fund

As described in findings 2024-005 through 2024-007 in the accompanying schedule of findings , the Village did not comply with requirements regarding the following:

Finding #	Assistance Listing #	Program (or Cluster) Name	Compliance Requirement
2024-005	21.027	Coronavirus State and Local Fiscal Recovery Fund	Procurement and Suspension and Debarment
2024-006	21.027	Coronavirus State and Local Fiscal Recovery Fund	Reporting
2024-007	21.027	Coronavirus State and Local Fiscal Recovery Fund	Allowable Costs & Procurement and Suspension and Debarment

Compliance with such requirements is necessary, in our opinion, for the Village to comply with the requirements applicable to that program.

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Village's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the Village's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report

on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the Village's internal control over compliance. Accordingly, no such opinion is expressed. We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control over Compliance

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

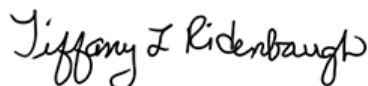
A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance. We consider the deficiencies in internal control over compliance described in the accompanying schedule of findings as items 2024-005 through 2024-007, to be material weaknesses.

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

Government Auditing Standards requires the auditor to perform limited procedures on the Village's responses to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and corrective action plan. The Village's responses were not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the responses.

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

KEITH FABER
Ohio Auditor of State



Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

December 11, 2025

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**VILLAGE OF SOUTH POINT
LAWRENCE COUNTY**

**SCHEDULE OF FINDINGS
2 CFR § 200.515
DECEMBER 31, 2024**

1. SUMMARY OF AUDITOR'S RESULTS

(d)(1)(i)	Type of Financial Statement Opinion	Unmodified
(d)(1)(ii)	Were there any material weaknesses in internal control reported at the financial statement level (GAGAS)?	Yes
(d)(1)(ii)	Were there any significant deficiencies in internal control reported at the financial statement level (GAGAS)?	No
(d)(1)(iii)	Was there any reported material noncompliance at the financial statement level (GAGAS)?	Yes
(d)(1)(iv)	Were there any material weaknesses in internal control reported for major federal programs?	Yes
(d)(1)(iv)	Were there any significant deficiencies in internal control reported for major federal programs?	No
(d)(1)(v)	Type of Major Programs' Compliance Opinion	Qualified
(d)(1)(vi)	Are there any reportable findings under 2 CFR § 200.516(a)?	No
(d)(1)(vii)	Major Programs (list):	COVID-19 Coronavirus State and Local Fiscal Recovery Fund – AL # 21.027
(d)(1)(viii)	Dollar Threshold: Type A/B Programs	Type A: > \$ 750,000 Type B: all others
(d)(1)(ix)	Low Risk Auditee under 2 CFR § 200.520?	No

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

FINDING NUMBER 2024-001

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

Due to deficiencies in internal control related to financial reporting, the Village misclassified various line

FINDING NUMBER 2024-001
(Continued)

items in the annual financial report submitted to the Auditor of State for fiscal year 2024. Some of these errors were not material and as such, are not listed below and were not adjusted on the financial statements. However, the following misstatements occurred and had to be adjusted, as approved by management, on the financial statements:

As of December 31, 2024:

- Fines and Forfeitures totaling \$19,354 were misposted to the Police Fund that should have been posted to the General Fund.
- Intergovernmental Revenue totaling \$19,793 were misclassified on the financial statements as Tax Revenue for the General Fund.
- Mayor's Court Activity was not included as a Custodial Fund Statement in the Hinkle Compilation. This caused the understatement of both amounts collected and amount distributed of \$320,499.
- Local Fiscal Recovery Fund Intergovernmental receipts in the amount of \$731,725 were misposted in Fund 4903, Waterline Replacement Phase project as OWDA Loan Proceeds. Thus, overstating the Capital Projects Fund Type receipts and understating the Special Revenue Fund Type receipts.
- Local Fiscal Recovery Fund Contractual Services totaling \$495,915 and Professional and Technical Services totaling \$23,380 were misposted in the Capital Projects Fund Type. Thus, overstating Capital Projects Fund Type expenditures and understating the Special Revenue Fund Type expenditures.
- Loans Issued and Capital Outlay totaling \$333,572 were unrecorded in the Police Fund due to the Village not recording the financed purchase of police vehicles.
- OPWC payments in the amount of \$230,540 was not recorded, thus understating Loans Issued and Capital Outlay Disbursements for the Capital Projects Fund Type.
- OWDA on behalf of payments in the amount of \$122,114 was not recorded, thus understating Loans Issued, Capital Outlay, and Principal Payments for the Capital Projects Fund Type.
- Capital Outlay totaling \$946,291 was misclassified on the financial statements as Basic Utility Services for the Capital Projects Fund Type.
- OWDA principal forgiveness Intergovernmental Receipts in the amount of \$644,833 was posted as Special Items \$596,632 and Loans Issued \$48,201, thus understating Intergovernmental receipts.
- Capital Outlay totaling \$623,513 was misclassified on the financial statements as Contractual Services for the Water Fund.

This resulted in audit adjustments and reclassifications to the financial statements and footnotes. Any adjustments have been agreed to my management and posted to the Village's accounting system, if necessary.

To ensure the Village's financial statements and notes the financial statements are complete and accurate, the Village should adopt policies and procedures, including a final review of the statements and footnotes by the Village Fiscal Officer and Village Council to identify and correct errors and omissions.

FINDING NUMBER 2024-001
(Continued)

Officials' Response:

See the Corrective Action Plan.

2. FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (CONTINUED)

FINDING NUMBER 2024-002

Material Weakness

In our audit engagement letter, as required by AU-C Section 210, Terms of Engagement, paragraph .06, management acknowledged its responsibility for the preparation and fair presentation of their financial statements; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error as discussed in AU-C Section 210 paragraphs .A14 & .A16.

Sound accounting practices require accurately posting estimated receipts and appropriations to the ledgers to provide information for budget versus actual comparison and to allow the Council to make informed decisions regarding budgetary matters.

The Appropriation resolution and subsequent amendments establish the legal spending authority of the Village and the appropriation ledger provides the process by which the Village controls spending, it is therefore necessary the amounts appropriated by the Council are precisely stated and accurately posted to the appropriation ledger.

The original certificate and amendments establish the amounts available for expenditures for the Village and the receipts ledger provides the process by which the Village controls what is available, it is therefore necessary the amounts estimated by the County Budget Commission are posted accurately to the receipts ledger.

Due to deficiencies in internal controls over the budgetary cycle, the budgetary footnote information for 2024 filed through the Hinkle System was incorrectly reported due to the fact the Uniform Accounting Network (UAN) system was not properly updated. The following variances were noted:

Variances between estimated receipt amounts from the Amended Certificate of Estimated Resources and amounts recorded in the UAN system at December 31, 2024 were as follows:

Fund	Estimated Receipts from Amended Certificate of Estimated Resources	Estimated Receipts in UAN System	Difference
General Fund	\$781,000	\$776,487	\$4,513
Street Project, Tiffany Lane Fund	\$0	\$825,000	(\$825,000)
Fire Department Fund	\$130,256	\$143,107	(\$12,851)
Waterline Replacement Solida, 9th & Park Fund	\$0	\$39,640	(\$39,640)
Waterline Replacement Phase 3 Fund	\$3,262,931	\$2,119,448	\$1,143,483
Water Operating Fund	\$1,337,610	\$1,555,771	(\$218,161)

FINDING NUMBER 2024-002
(Continued)

Variances between approved budgetary appropriation amounts and amounts recorded in the UAN system at December 31, 2024 were as follows:

Fund - Line item	Approved Appropriations	Appropriations in UAN system	Difference
Fire Department Fund	\$168,120	\$181,120	(\$13,000)
Waterline Replacement Phase 2 Fund	\$32,911	\$0	\$32,911
Phase 3 Design Fund	\$7,865	\$0	\$7,865
Waterline Replacement, Phase 3 Fund	\$3,262,931	\$2,119,448	\$1,143,483

The Village did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The original appropriations approved by Village Council were posted to the accounting system, but then amendments were made to those appropriations in the system that were not properly updated. There were also several adjustments noted that were posted to the UAN system that were never approved by Village Council. Additionally, the approved Certificate of Estimated Resources (and/or amendments thereof) was not posted to the accounting system accurately at all times throughout the year.

Failure to accurately post the appropriations and estimated resources to the ledgers could result in overspending and negative cash balances. In addition, this could lead to inaccurate reporting of the budgetary information in the notes to the financial statements.

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Village should establish and implement internal controls to help ensure the posting to the ledgers, on a timely basis, of estimated resources as certified by the budget commission and only appropriations approved by the Council. The Village should then monitor budget versus actual reports to help ensure amended certificates of resources and appropriations have been properly posted to the ledgers.

Officials' Response: See the Corrective Action Plan.

FINDING NUMBER 2024-003

Noncompliance

Ohio Rev. Code § 5705.10(D) provides in part that all revenue derived from a source other than the general property tax and which the law prescribes shall be used for a particular purpose, shall be paid into a special fund for such purpose.

- The Village inappropriately recorded \$2,245 of Intergovernmental Revenue in the General Fund. Given the source of the revenue, this should have been recorded in Street Fund.
- The Village inappropriately recorded \$9,741 of Other Miscellaneous Receipts in the Water Fund. Given the source of the revenue, this should have been recorded in the General Fund.
- The Village inappropriately recorded \$19,354 of Other Fines and Forfeitures in the Police Fund. Given the source of the revenue, this should have been recorded in the General Fund.
- The Village inappropriately recorded \$7,190 of Intergovernmental Revenue in the Street Fund. Given the source of the revenue, this should have been recorded in the Permissive Motor Vehicle License Tax Fund.

FINDING NUMBER 2024-003
(Continued)

- The Village inappropriately recorded \$731,725 of Intergovernmental Revenues in the Waterline Replacement Fund. Given the source of the revenue, this should have been recorded in the Local Fiscal Recovery Fund.
- The Village inappropriately recorded \$2,502 of Fines, Forfeitures and Settlement Revenues in the General Fund. Given the source of the revenue, this should have been recorded in the Opioid Settlement Fund.

Audit adjustments are reflected in the financial statements and in the accounting records correcting the misstatement, as approved by management.

The lack of controls over the posting of financial transactions decreases the reliability of financial data at year-end and can result in undetected errors and irregularities.

The Village should establish and implement controls to help ensure all transactions are properly posted and reviewed to help ensure posting to the proper funds.

Officials' Response:

See the Corrective Action Plan.

FINDING NUMBER 2024-004

Noncompliance

Ohio Rev. Code § 5705.41(B) prohibits a subdivision or taxing authority unit from making any expenditure of money unless it has been appropriated in accordance with the Ohio Revised Code.

Due to inadequate policies and procedures in approving and reviewing budget versus actual information and the lack of appropriating for a lease purchase of police vehicles, the Village's following funds had expenditures in excess of appropriations as of December 31, 2024:

Fund	Appropriations	Budgetary Expenditures	Variance
Fire Department Fund	\$168,120	\$176,099	(\$7,979)
Police Fund	\$886,290	\$1,210,536	(\$324,246)

Failure to have adequate appropriations in place at the time expenditures are made could cause expenditures to exceed available resources, further resulting in deficit spending practices.

The Village Council should establish and implement internal control policies to closely monitor expenditures and appropriations and make the necessary appropriation amendments, if possible, to reduce the likelihood of expenditures exceeding appropriations. Additionally, the Fiscal Officer should deny payment requests exceeding appropriations when appropriations are inadequate to cover the expenditures.

Officials' Response:

See the Corrective Action Plan.

3. FINDINGS FOR FEDERAL AWARDS

1. Procurement

Finding Number:	2024-005
Assistance Listing Number and Title:	AL # 21.027 – COVID-19 Coronavirus State and Local Fiscal Recovery Fund
Federal Award Identification Number / Year:	2024
Federal Agency:	U.S. Department of the Treasury
Compliance Requirement:	Procurement and Suspension and Debarment
Pass-Through Entity:	Ohio Office of Budget and Management
Repeat Finding from Prior Audit?	No

Noncompliance and Material Weakness

31 CFR 19.305(a) states that Non-Federal entities are prohibited from entering into a covered transaction with parties that are suspended or debarred or whose principals are suspended or debarred, unless the Federal agency responsible for the transaction grants an exception under 31 CFR § 19.120.

31 CFR 19.200 identifies "covered transactions" as nonprocurement or procurement transactions at the primary tier, between a Federal agency and a person; or at the lower tier, between a participant in a covered transaction and another person. Procurement contracts for goods and services awarded under a nonprocurement transaction (e.g. grant or cooperative agreement) are covered transactions if the contracts are expected to equal or exceed \$25,000 or meet certain other specified criteria outlined in 31 CFR § 19.220. All nonprocurement transactions (i.e., subawards to subrecipients), irrespective of award amount, are considered covered transactions, unless exempt by 31 CFR § 19.215.

When a non-Federal entity enters into a covered transaction, the non-Federal entity must verify that the entity is not suspended or debarred or otherwise excluded. This verification may be accomplished by checking SAM exclusions (<https://sam.gov/>); collecting a certification from the entity, or adding a clause or condition to the covered transactions with that entity.

The Village did not have the proper internal controls in place to verify that all entities, with whom the Village had entered into covered transactions, had not been suspended or debarred. During testing of the State Local Fiscal Recovery Fund program, three of four payments were noted that had a payment to a vendor of more than \$25,000 and there was no evidence the Village checked the SAM exclusions, collected a certification from the entity, or added a clause or condition to the covered transaction with the vendor. Due to the deficient internal control structure, the required verification was not completed for the covered transaction in the State Local Fiscal Recovery Fund program during fiscal year 2024. Failing to have the appropriate controls in place may result in vendors receiving federal funds that are suspended or debarred.

The Village should establish and implement internal controls to help ensure that prior to contracting with vendors that will be paid with federal funds, the Village verify the vendor is not suspended or debarred by checking the SAM exclusions, collecting a certification from the vendor, or adding a clause or condition to the covered transaction with the vendor.

Officials' Response:

See the Corrective Action Plan.

2. Reporting

Finding Number:	2024-006
Assistance Listing Number and Title:	AL # 21.027 – COVID-19 Coronavirus State and Local Fiscal Recovery Fund
Federal Award Identification Number / Year:	2024
Federal Agency:	U.S. Department of the Treasury
Compliance Requirement:	Reporting
Pass-Through Entity:	Ohio Office of Budget and Management
Repeat Finding from Prior Audit?	No

Noncompliance and Material Weakness

2 CFR § 1000.10 gives regulatory effect to the Department of Treasury for **2 CFR 200.329(c)(1)** which states that non-federal entities may be required to submit performance reports at least annually but not more frequently than quarterly, using a form or format authorized by the Office of Budget and Management (OBM).

Recipients must use the standard financial reporting forms or such other forms as may be authorized by OMB (approval is indicated by an OMB paperwork control number on the form) when reporting to the Federal awarding agency. Each recipient must report program outlays and program income on a cash or accrual basis, as prescribed by the Federal awarding agency.

Entities are required to submit a Project and Expenditure Report annually.

Due deficiencies in internal controls over reporting, reported expenditures on the draw down reports for 2024 did not agree with supporting invoices paid by the Village. The Village, on two occasions, received monies prior to the bills being paid. Therefore, draws were being completed prior to the expenditures happening. Additionally, the Project and Expenditure report for 2024 which was due by April 30, 2025, was not submitted.

By not properly filing the required reports, the Village is in noncompliance with the requirements set forth by the U.S. Department of Treasury. This could result in the Treasury not fully being aware of how the Village is utilizing the funding in determining if the Village is following other requirements and using the funding properly.

The Village should establish and implement additional controls to ensure all components of reporting federal expenditures are accurately reported in a timely manner.

Officials' Response:

See the Corrective Action Plan.

3. Uniform Guidance Policies

Finding Number:	2024-007
Assistance Listing Number and Title:	AL # 21.027 – COVID-19 Coronavirus State and Local Fiscal Recovery Fund
Federal Award Identification Number / Year:	2024
Federal Agency:	U.S. Department of the Treasury
Compliance Requirement:	Allowable Costs, Procurement and Suspension and Debarment
Pass-Through Entity:	Ohio Office of Budget and Management
Repeat Finding from Prior Audit?	No

Noncompliance and Material Weakness

2 CFR § 1201.1 gives regulatory effect to the Department of Treasury for the following sections of 2 CFR 200:

2 CFR § 200.302(b)(7) requires written procedures for determining the allowability of costs in accordance with Subpart E-Cost Principles of this part and the terms and conditions of the Federal award.

2 CFR 200.320(b)(2) requires non-federal entities to have a written method for conducting technical evaluations of the competitive proposals received and for selecting contract recipients.

2 CFR 200.319(d) requires non-federal entities to have written procedures for procurement transactions to ensure all solicitations incorporate a clear and accurate description of the technical requirements for the material, product, or service to be procured and identify all requirements which the offerors must fulfill and all other factors to be used in evaluating bids or proposals.

The Village was awarded grant monies under the Uniform Guidance (UG); however, the Village did not establish formal written policies required by the UG for the sections listed above.

To help ensure compliance with the Uniform Guidance requirements, the Village should establish and maintain timely updated policies and, more importantly, implement procedures as specified by UG requirements for all grant monies received. Any changes to the Village's policies should also be formally approved by Council and documented within the minutes.

Officials' Response:

See the Corrective Action Plan.

4. OTHER – FINDINGS FOR RECOVERY

In addition, we identified the following other issues related to Findings for Recovery. These issues did not impact our GAGAS or Single Audit Compliance and Controls reports.

FINDING NUMBER 2024-008

Finding for Recovery – Repaid Under Audit

Sick leave payouts are set forth in the Village of South Point Personnel Policies and Procedures in section 7.7.4, Cashing of Sick Leave. As such, an employee should only receive a sick leave payout if they meet the age and length of service requirements of the Public Employees Retirement System or the Police and Fire Pension Fund. Whichever is applicable, and who was also in the service of the Village for a period of ten continuous years prior to retirement may redeem up to one-fourth accumulated unused sick leave.

FINDING NUMBER 2024-008
(Continued)

In fiscal year 2024, prior Fiscal Officer, Tracey Lobalbo, incorrectly received a sick leave payout. She was paid out at one-fourth of her sick leave; however, she did not retire or have ten continuous years of service. This error resulted in an over payment of \$3,792.44.

In accordance with the forgoing facts and pursuant to Ohio Rev. Code 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Tracey Lobaldo in the amount of \$3,792.44 and in favor of the Village of South Point's Sewer Operating Fund.

On June 23, 2025, Tracey Lobaldo provided the Village of South Point a cashier's check in the amount of the Finding for Recovery. Thus, the Finding for Recovery amount of \$3,792.44 was paid in full to the Village by Tracey Lobaldo. As such, this constitutes a Finding for Recovery Repaid Under Audit.

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VILLAGE OF SOUTH POINT LAWRENCE COUNTY

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS DECEMBER 31, 2024

Finding Number	Finding Summary	Status	Additional Information
2023-001	Material Weakness – Sound Financial Reporting	Not Corrected.	Errors in posting to the system were identified. Reissued as Finding Number 2024-001.
2023-002	Material Weakness – Mayor's Court Cash Reconciliation Process Errors	Partially Corrected.	Not completing monthly reconciliations timely which resulted in missed payments to the Village and State. Reissued as Management Letter Comment for missed payments to the Village.
2023-003	Material Weakness – Budgetary Amounts Not Recorded in Accounting System	Not Corrected.	Failure to properly update Budgetary Amounts in the Accounting System. Reissued as Finding Number 2024-002.
2023-004	Material Weakness/Noncompliance – Ohio Rev. Code § 5705.41(D)(1)	Not Corrected.	Failure to properly certify expenditures. Reissued as Management Letter Comment.
2023-005	Noncompliance - Ohio Rev. Code § 5705.39	Corrected.	
2023-006	Noncompliance - Ohio Rev. Code § 5705.41(B)	Not Corrected.	Appropriations exceeded budgeted expenditures. Reissued as Finding Number 2024-004.

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VILLAGE OF SOUTH POINT LAWRENCE COUNTY

CORRECTIVE ACTION PLAN 2 CFR § 200.511(c) December 31, 2024

Finding Number: 2024-001
Planned Corrective Action: The Village will attempt to correct these errors in the future.
Anticipated Completion Date: December 31, 2025
Responsible Contact Person: Lori Jordan, Fiscal Officer

Finding Number: 2024-002
Planned Corrective Action: The Village will attempt to correct these errors in the future.
Anticipated Completion Date: December 31, 2025
Responsible Contact Person: Lori Jordan, Fiscal Officer

Finding Number: 2024-003
Planned Corrective Action: The Village will attempt to correct these errors in the future.
Anticipated Completion Date: December 31, 2025
Responsible Contact Person: Lori Jordan, Fiscal Officer

Finding Number: 2024-004
Planned Corrective Action: The Village will attempt to correct these errors in the future.
Anticipated Completion Date: December 31, 2025
Responsible Contact Person: Lori Jordan, Fiscal Officer

Finding Number: 2024-005
Planned Corrective Action: The Village prior to contracting with vendors that will be paid with federal funds, will verify the vendor is not suspended or debarred by checking the SAM exclusions, collecting a certification from the vendor, or adding a clause or condition to the covered transaction with the vendor.
Anticipated Completion Date: December 31, 2025
Responsible Contact Person: Lori Jordan, Fiscal Officer

Finding Number: 2024-006
Planned Corrective Action: The Village will add additional procedures or controls to ensure all components of reporting federal expenditures are accurately reported.
Anticipated Completion Date: December 31, 2025
Responsible Contact Person: Lori Jordan, Fiscal Officer

Finding Number: 2024-007
Planned Corrective Action: The Village will adopt all necessary policies.
Anticipated Completion Date: December 31, 2025
Responsible Contact Person: Lori Jordan, Fiscal Officer

OHIO AUDITOR OF STATE KEITH FABER



VILLAGE OF SOUTH POINT

LAWRENCE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 12/30/2025

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

This report is a matter of public record and is available online at
www.ohioauditor.gov