



OHIO AUDITOR OF STATE  
**KEITH FABER**





**VILLAGE OF POMEROY  
MEIGS COUNTY  
DECEMBER 31, 2022 AND 2021**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Village of Pomeroy  
Meigs County  
660 East Main Street  
Pomeroy, Ohio 45769

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 Pomeroy, Meigs 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 years ended December 31, 2022 and 2021, 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 years ended December 31, 2022 and 2021, 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, 2022 and 2021, or the changes in financial position or, where applicable, cash flows thereof for the years 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 the financial audit standards in the Comptroller General of the United States' *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.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2024, 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  
Auditor of State  
Columbus, Ohio

June 24, 2024

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**Village of Pomeroy, Ohio***Meigs County**Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)**All Governmental Fund Types**For the Year Ended December 31, 2022*

	General	Special Revenue	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$55,592	\$251,620	\$0	\$307,212
Municipal Income Tax	430,536	0	0	430,536
Intergovernmental	102,394	376,104	0	478,498
Charges for Services	0	38,953	0	38,953
Fines, Licenses and Permits	45,124	1,440	0	46,564
Earnings on Investments	172	9,988	0	10,160
Miscellaneous	59,639	11,702	0	71,341
<i>Total Cash Receipts</i>	<u>693,457</u>	<u>689,807</u>	<u>0</u>	<u>1,383,264</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	229,220	233,968	0	463,188
Public Health Services	0	16,968	0	16,968
Leisure Time Activities	0	9,644	0	9,644
Transportation	0	146,432	0	146,432
General Government	237,188	14,083	0	251,271
Capital Outlay	28,970	244,004	0	272,974
Debt Service:				
Principal Retirement	23,556	41,083	0	64,639
Interest and Fiscal Charges	18,449	5,649	0	24,098
<i>Total Cash Disbursements</i>	<u>537,383</u>	<u>711,831</u>	<u>0</u>	<u>1,249,214</u>
<i>Excess of Receipts (Under) Disbursements</i>	<u>156,074</u>	<u>(22,024)</u>	<u>0</u>	<u>134,050</u>
<b>Other Financing Receipts (Disbursements)</b>				
Loans Issued	0	77,836	0	77,836
<i>Total Other Financing Receipts</i>	<u>0</u>	<u>77,836</u>	<u>0</u>	<u>77,836</u>
<i>Net Change in Fund Cash Balances</i>	156,074	55,812	0	211,886
<i>Fund Cash Balances, January 1</i>	<u>306,140</u>	<u>407,203</u>	<u>38,782</u>	<u>752,125</u>
<i>Fund Cash Balances, December 31</i>	<u>\$462,214</u>	<u>\$463,015</u>	<u>\$38,782</u>	<u>\$964,011</u>

*See accompanying notes to the basic financial statements*

**Village of Pomeroy, Ohio**  
*Meigs County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*Proprietary Fund Type*  
*For the Year Ended December 31, 2022*

	Proprietary Fund Type
	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$1,200,954
<i>Total Operating Cash Receipts</i>	<u>1,200,954</u>
<b>Operating Cash Disbursements</b>	
Personal Services	403,087
Employee Fringe Benefits	98,316
Contractual Services	159,479
Supplies and Materials	302,190
<i>Total Operating Cash Disbursements</i>	<u>963,072</u>
<i>Operating Income</i>	<u>237,882</u>
<b>Non-Operating Receipts (Disbursements)</b>	
Intergovernmental Receipts	1,961,926
Special Assessments	911
Loans Issued	2,060,586
Miscellaneous Receipts	1,112
Capital Outlay	(2,289,986)
Principal Retirement	(1,866,708)
Interest and Other Fiscal Charges	(35,875)
<i>Total Non-Operating (Disbursements)</i>	<u>(168,034)</u>
<i>Income before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	69,848
Capital Contributions	84,721
<i>Net Change in Fund Cash Balances</i>	154,569
<i>Fund Cash Balances, January 1</i>	<u>898,051</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$1,052,620</u></u>

*See accompanying notes to the basic financial statements*

**Village of Pomeroy, Ohio**  
*Meigs County*  
*Statement of Additions, Deductions*  
*and Change in Fund Balance (Regulatory Cash Basis)*  
*Fiduciary Fund Type*  
*For the Year Ended December 31, 2022*

	Fiduciary Fund Type
	Custodial
	Other Custodial
<b>Additions</b>	
Fines, Licenses and Permits for Distribution	29,172
<i>Total Additions</i>	29,172
<b>Deductions</b>	
Distributions to Other Governments	27,525
<i>Total Deductions</i>	27,525
<i>Net Change in Fund Balance</i>	1,647
<i>Fund Cash Balance, January 1</i>	246
<i>Fund Cash Balance, December 31</i>	\$1,893

*See accompanying notes to the basic financial statements*

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**Village of Pomeroy, Ohio**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*

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**Note 1 – Reporting Entity**

The Village of Pomeroy (the Village), Meigs 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 general government services including maintenance of roads, fire protection services, police services, water, sewer and refuse utilities, cemetery maintenance, and park operations.

***Public Entity Risk Pool***

The Village participates in the Ohio Plan Risk Management, Inc. and the Ohio Municipal League Group Rating Plan (GRP) which are public entity risk pools. Notes 7 and 12 to the financial statements provide additional information for these entities.

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 Maintenance and Repair Fund*** This fund accounts for and reports that portion of the state gasoline tax and motor vehicle license registration fees restricted for construction, maintenance and repair of streets within the Village.

***Fire Levy Fund*** This fund receives tax levy proceeds to provide Village fire protection

**Village of Pomeroy, Ohio**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

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

***Fund Accounting (Continued)***

***Permanent Funds*** These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Village had the following significant permanent fund:

***Beech Grove Cemetery Fund*** This fund receives interest earned on the nonspendable corpus from a cemetery endowment. These earnings are used for the general maintenance and upkeep of the Village's cemetery.

***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.

***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.

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 Mayor's Court transactions.

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 §117.38 and Ohio Administrative Code § 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 § 117.38 and Ohio Administrative Code § 117-2-03 (C) permit.

**Village of Pomeroy, Ohio**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

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

***Budgetary Process***

The Ohio Revised Code requires that each fund (except certain custodial funds) 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. The Village did not encumber all commitments required by Ohio law.

A summary of 2022 budgetary activity appears in Note 4.

***Deposits***

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.

***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***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

***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 Pomeroy, Ohio**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

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

***Fund Balance (Continued)***

***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 – Compliance**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the Fire Levy Fund by \$63,212 for the year ended December 31, 2022.

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2022 follows:

2022 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$553,850	\$693,457	\$139,607
Special Revenue	594,303	767,643	173,340
Permanent	0	0	0
Enterprise	5,238,194	5,310,210	72,016
<b>Total</b>	<b>\$6,386,347</b>	<b>\$6,771,310</b>	<b>\$384,963</b>



**Village of Pomeroy, Ohio**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

**Note 4 – Budgetary Activity (Continued)**

2022 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$623,190	\$537,383	\$85,807
Special Revenue	781,783	711,831	69,952
Permanent	0		0
Enterprise	5,563,500	5,155,641	407,859
<b>Total</b>	<b>\$6,968,473</b>	<b>\$6,404,855</b>	<b>\$563,618</b>

**Note 5 – 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 investments accounts are as follows:

	2022
<b><i>Cash Management Pool:</i></b>	
Demand deposits	\$1,968,241
Certificates of deposit	49,783
Total deposits	2,018,024
U.S. Savings Bond	500
Total investments	500
Total carrying amount of deposits held in the Pool (ties to FS)	\$2,018,524

***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.

**Note 6 – 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 owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

**Village of Pomeroy, Ohio**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

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**Note 6 – Taxes (Continued)**

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.

***Income Taxes***

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

The tax is collected by the Regional Income Tax Agency (RITA) and is deposited in the Village bank account twice a month.

**Note 7 – Risk Management**

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program 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 has remain unchanged. OPRM had 773 members as of December 31, 2022.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2022.

Assets	\$ 21,662,291
Liabilities	(18,158,351)
Members' Equity	<u>\$ 3,503,940</u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**Village of Pomeroy, Ohio**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

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**Note 8 – 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, 2022.

***Ohio Police and Fire Retirement System***

The 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, 2022.

***Social Security***

The Village's elected officials 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, 2022.

**Note 9 – Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2022. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2022. OP&F contributes 0.5 percent to fund these benefits.

**Village of Pomeroy, Ohio**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

**Note 10 – Debt**

Debt outstanding at December 31, 2022, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OPWC CR08K	\$123,871	0%
OPWC CR08P	39,474	0%
OPWC CR08R	81,827	0%
OWDA 4047	300,147	2.00%
OWDA 5220	45,328	0%
OWDA 6221	548,290	2.00%
OWDA 6842	709,405	2.00%
OWDA 8328	39,918	0%
OWDA 8883	431,115	0%
OWDA 8911	33,055	0.05%
OWDA 9476	352,477	0%
Building Loan	409,086	4.10%
Ally Finance - Chevrolet Truck	2,871	5.24%
Ally Finance - Ford F-150 Truck	8,039	8.09%
Farmers Bank - Paving Loan #153977	49,408	4.75%
Farmers Bank - Fire Truck Loan #154526	35,693	4.87%
Farmers Bank - Truck Loan #157482	20,996	2.97%
Farmers Bank - Dump Truck Loan #157649	71,907	3.50%
Farmers Bank - Fire Truck Loan #157874	78,050	4.00%
Farmers Bank - Pickup Loan #158108	42,982	5.00%
Kansas State Bank - Mini Excavtor	24,399	3.22%
USDA Police Vehicle Bond	15,000	Various
Total	<u><u>\$3,463,338</u></u>	

The OPWC CR08R Loan Second, Lynn and Court Streets Water main replacement will be repaid in semi-annual installments of \$8,182.68 through 2032. The OPWC CR08K Loan Lincoln Hill Waterline Replacement project's total amount awarded was \$239,750. This loan will be repaid in semi-annual installments of \$3,996, including interest through 2038. The OPWC CR08P Roadway Resurfacing Loan will be repaid in semi-annual installments of \$2,540 through 2031.

The OWDA 4047 Loan New Water Treatment Plant project's total amount awarded was \$633,897. The loan will be repaid in semi-annual installments of \$14,129, including interest through 2034.

The OWDA 5220 Loan Water Meter Replacement project's total amount awarded was \$77,705. The loan will be repaid in semiannual installments of \$1,295, through 2040.

**Village of Pomeroy, Ohio**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

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**Note 10 – Debt (Continued)**

The OWDA 6221 Loan Waterline Replacement/Hydrant Improvements project's total amount awarded as of December 31, 2014 was \$1,046,278, with \$314,230 of that amount repaid as principal forgiveness. The loan will be repaid in semiannual installments of \$16,367, through 2043.

The OWDA 6842 Loan Booster Station project's total amount awarded in 2014. Total project was \$1,210,417 with principal forgiveness of \$359,352. The loan will be repaid in semi-annual installments of \$18,609, including interest, through 2046.

The OWDA 8328 Loan for the State Route 7 Sewer Extension project was awarded in 2018. Total project financed after principal forgiveness was \$43,546. The loan will be repaid in semiannual installments of \$726, through 2050.

The OWDA 8883 loan for a water meter replacement project was awarded in 2020. The project was approved to finance \$455,164 over 20 years but the final amount financed was \$442,494. The loan will be repaid in semiannual installments of \$11,062, through 2042.

The OWDA 8911 loan for the 833 waterline replacement project was awarded in 2020. The project was approved to finance \$42,600 over 20 years but the final amount financed was \$34,710. The loan will be repaid in semiannual installments of \$913, through 2041.

The OWDA 9476 loan for water system improvements was approved for \$415,606. At this time, the project was not completed and an amortization schedule was not available.

The Village was approved for OWDA 9152 loan for 833 sewer extension phase 2. Through December 31, 2022, \$2,414,605 was disbursed but was entirely repaid through principal forgiveness.

The Building note was issued in 2009 for a Village Department Building. The note was for \$575,000. The note will be repaid in monthly installments of \$2,798, including interest through 2040.

The Village financed a 2017 Chevrolet Truck through Ally Finance on May 11, 2018 in the amount of \$39,610 over five years. This loan will be repaid in monthly installments of \$753.50.

The Village financed a Ford F-150 Truck through Ally Finance on December 9, 2018 in the amount of \$21,733 over six years. This loan will be repaid in monthly installments of \$383.30.

The Village obtained a commercial promissory note through Farmers Bank and Savings Co. on October 26, 2018 in the amount of \$75,650 for the purpose of paving Union Avenue. This loan will be repaid in semi-annual installments of \$4,814, including interest through 2028.

The Village obtained a commercial promissory note through Farmers Bank and Savings Co. on August 7, 2019 in the amount of \$150,000 for the purpose of refinancing and update fire trucks purchased. This loan will be repaid in semi-annual installments of \$18,552, including interest, through 2023.

The Village obtained a commercial promissory note through Farmers Bank and Savings Co. on February 11, 2022 in the amount of \$24,887 for the purpose purchasing a pickup truck. This loan will be repaid in monthly installments of \$447, including interest, through 2027.

**Village of Pomeroy, Ohio**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

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**Note 10 – Debt (Continued)**

The Village obtained a commercial promissory note through Farmers Bank and Savings Co. on May 6, 2022 in the amount of \$77,677 for the purpose purchasing a dump truck. This loan will be repaid in monthly installments of \$1,046, including interest, through 2029.

The Village obtained a commercial promissory note through Farmers Bank and Savings Co. on August 17, 2022 in the amount of \$78,050 for the purpose purchasing a fire truck. This loan will be repaid in semi-annual installments of \$6,516, including interest, through 2029.

The Village obtained a commercial promissory note through Farmers Bank and Savings Co. on November 28, 2022 in the amount of \$43,625 for the purpose purchasing a pickup truck. This loan will be repaid in monthly installments of \$825, including interest, through 2027.

The Village obtained a loan through Kansas State Bank on August 1, 2019 in the amount of \$71,008 to purchase a mini excavator. This loan will be repaid in annual installments of \$12,791.80, including interest, through 2024.

The USDA Police Vehicle Bond was issued on April 14, 2021. The bonds will be repaid in annual installments ranging from \$3500 to \$3,900 plus interest through 2026.

***Amortization***

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

Year ending	OPWC	OPWC	OPWC
December 31:	<u>CR08K</u>	<u>CR08P</u>	<u>CR08R</u>
2023	3,996	3,921	8,183
2024	7,992	5,079	8,183
2025	7,992	5,079	8,183
2026	7,992	5,079	8,183
2027	7,992	5,079	8,183
2028-2032	39,960	15,237	40,912
2033-2037	39,960	0	0
2038	7,987	0	0
Total	<u>\$123,871</u>	<u>\$39,474</u>	<u>\$81,827</u>

**Village of Pomeroy, Ohio**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

**Note 10 – Debt (Continued)**

Year ending December 31:	OWDA 4047	OWDA 5220	OWDA 6221	OWDA 6842	OWDA 8328	OWDA 8883	OWDA 8911
2023	14,129	2,590	32,734	37,219	1,451	21,808	1,826
2024	28,258	2,590	32,734	37,219	1,451	22,125	1,826
2025	28,258	2,590	32,734	37,219	1,451	22,125	1,826
2026	28,258	2,590	32,734	37,219	1,451	22,125	1,826
2027	28,258	2,590	32,734	37,219	1,451	22,125	1,826
2028-2032	141,290	12,950	163,670	186,095	7,260	110,620	9,130
2033-2037	56,516	12,950	163,670	186,095	7,260	110,620	9,130
2038-2042	0	6,478	163,670	186,095	7,260	99,567	7,304
2043-2047	0	0	16,367	130,263	7,260	0	0
2048-2050	0	0	0	0	3,623	0	0
<b>Total</b>	<b>\$324,967</b>	<b>\$45,328</b>	<b>\$671,047</b>	<b>\$874,643</b>	<b>\$39,918</b>	<b>\$431,115</b>	<b>\$34,694</b>

Year ending December 31:	Kansas				
	Building Loan	Chevy Truck	Ford F- 150	State Bank	USDA Bond
2023	\$33,577	\$3,014	\$4,600	\$12,792	\$3,899
2024	33,577	0	4,213	12,792	4,037
2025	33,577	0	0	0	3,954
2026	33,577	0	0	0	3,871
2027	33,577	0	0	0	3,988
2028-2032	167,885	0	0	0	0
2033-2037	167,885	0	0	0	0
2038-2040	47,871	0	0	0	0
<b>Total</b>	<b>\$551,526</b>	<b>\$3,014</b>	<b>\$8,813</b>	<b>\$25,584</b>	<b>\$19,749</b>

Year ending December 31:	Farmers #153977	Farmers #154526	Farmers #157482	Farmers #157649	Farmers #157874	Farmers #158108
2023	\$ 9,628.00	\$37,104.00	\$ 5,368.00	\$12,548.00	\$13,032.00	\$ 9,896.00
2024	9,628.00	-	5,368.00	12,548.00	13,032.00	9,896.00
2025	9,628.00	-	5,368.00	12,548.00	13,032.00	9,896.00
2026	9,628.00	-	5,368.00	12,548.00	13,032.00	9,896.00
2027	9,628.00	-	894.00	12,548.00	13,032.00	9,071.00
2028	9,628.00	-	-	17,776.00	25,323.00	-
	<b>\$57,768.00</b>	<b>\$37,104.00</b>	<b>\$22,366.00</b>	<b>\$80,516.00</b>	<b>\$90,483.00</b>	<b>\$48,655.00</b>

**Village of Pomeroy, Ohio**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2022*  
*(Continued)*

**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:

Fund Balances	General	Special Revenue	Permanent	Total
Nonspendable:				
Unclaimed Monies	\$1,590	\$0	\$0	\$1,590
Corpus	0	0	38,782	38,782
Outstanding Encumbrances	0	0	0	0
<i>Total</i>	<u>\$1,590</u>	<u>\$0</u>	<u>\$38,782</u>	<u>\$40,372</u>

The fund balance of special revenue funds is either restricted or committed. 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 and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Note 12 – Public Entity Risk Pool**

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker’s compensation. The pool’s business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

**Note 13 – COVID-19**

The United States and the State of Ohio declared a state of emergency in March of 2020 due to the COVID-19 pandemic. Ohio’s state of emergency ended in June 2021 while the national state of emergency ended in April 2023. During 2022, the Village received COVID-19 funding. The Village will continue to spend available COVID-19 funding consistent with the applicable program guidelines.

**Note 14 – Subsequent Events**

The Village was awarded a Downtown Riverfront Revitalization Program Grant in 2024 in the amount of \$8,370,900 for riverfront improvements to enhance the community-centric downtown area in the Village.



**Village of Pomeroy, Ohio***Meigs County**Combined Statement of Receipts, Disbursements  
and Changes in Fund Balances (Regulatory Cash Basis)**All Governmental Fund Types**For the Year Ended December 31, 2021*

	General	Special Revenue	Permanent	Totals (Memorandum Only)
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$53,749	\$254,491	\$0	\$308,240
Municipal Income Tax	420,084	0	0	420,084
Intergovernmental	153,985	248,042	0	402,027
Charges for Services	0	31,373	0	31,373
Fines, Licenses and Permits	58,910	1,942	0	60,852
Earnings on Investments	871	3,517	0	4,388
Miscellaneous	100,773	10,945	0	111,718
<i>Total Cash Receipts</i>	<u>788,372</u>	<u>550,310</u>	<u>0</u>	<u>1,338,682</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property	256,652	202,443	0	459,095
Public Health Services	0	19,999	0	19,999
Leisure Time Activities	0	7,231	0	7,231
Transportation	0	110,620	0	110,620
General Government	251,693	3,111	0	254,804
Capital Outlay	74,000	97,858	0	171,858
Debt Service:				
Principal Retirement	15,507	37,597	0	53,104
Interest and Fiscal Charges	18,070	9,135	0	27,205
<i>Total Cash Disbursements</i>	<u>615,922</u>	<u>487,994</u>	<u>0</u>	<u>1,103,916</u>
<i>Excess of Receipts (Under) Disbursements</i>	<u>172,450</u>	<u>62,316</u>	<u>0</u>	<u>234,766</u>
<i>Fund Cash Balances, January 1</i>	<u>133,690</u>	<u>344,887</u>	<u>38,782</u>	<u>517,359</u>
<i>Fund Cash Balances, December 31</i>	<u>\$306,140</u>	<u>\$407,203</u>	<u>\$38,782</u>	<u>\$752,125</u>

*See accompanying notes to the basic financial statements*

**Village of Pomeroy, Ohio**  
*Meigs County*  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*Proprietary Fund Type*  
*For the Year Ended December 31, 2021*

	Proprietary Fund Type
	Enterprise
<b>Operating Cash Receipts</b>	
Charges for Services	\$1,132,830
<i>Total Operating Cash Receipts</i>	<u>1,132,830</u>
<b>Operating Cash Disbursements</b>	
Personal Services	228,255
Employee Fringe Benefits	68,673
Contractual Services	160,412
Supplies and Materials	154,920
Other	86,525
<i>Total Operating Cash Disbursements</i>	<u>698,785</u>
<i>Operating Income</i>	<u>434,045</u>
<b>Non-Operating Receipts (Disbursements)</b>	
Intergovernmental Receipts	1,182,440
Loans Issued	1,406,600
Miscellaneous Receipts	1,489
Capital Outlay	(1,407,909)
Principal Retirement	(1,330,146)
Interest and Other Fiscal Charges	(35,957)
<i>Total Non-Operating (Disbursements)</i>	<u>(183,483)</u>
<i>Income before Capital Contributions, Special Item, Extraordinary Item, Transfers and Advances</i>	250,562
Capital Contributions	73,414
<i>Net Change in Fund Cash Balances</i>	323,976
<i>Fund Cash Balances, January 1</i>	<u>574,075</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$898,051</u></u>

*See accompanying notes to the basic financial statements*

**Village of Pomeroy, Ohio**  
*Meigs County*  
*Statement of Additions, Deductions*  
*and Change in Fund Balance (Regulatory Cash Basis)*  
*Fiduciary Fund Type*  
*For the Year Ended December 31, 2021*

	Fiduciary Fund Type
	Custodial
	Other Custodial
<b>Additions</b>	
Fines, Licenses and Permits for Distribution	\$46,237
<i>Total Additions</i>	46,237
<b>Deductions</b>	
Distributions to Other Governments	47,137
<i>Total Deductions</i>	47,137
<i>Net Change in Fund Balance</i>	(900)
<i>Fund Cash Balance, January 1</i>	1,146
<i>Fund Cash Balance, December 31</i>	\$246

*See accompanying notes to the basic financial statements*

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**Village of Pomeroy, Ohio**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*

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**Note 1 – Reporting Entity**

The Village of Pomeroy (the Village), Meigs 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 general government services including maintenance of roads, fire protection services, police services, water, sewer and refuse utilities, cemetery maintenance, and park operations.

***Public Entity Risk Pool***

The Village participates in the Ohio Plan Risk Management, Inc. and the Ohio Municipal League Group Rating Plan (GRP) which are public entity risk pools. Notes 7 and 12 to the financial statements provide additional information for these entities.

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 Maintenance and Repair Fund*** This fund accounts for and reports that portion of the state gasoline tax and motor vehicle license registration fees restricted for construction, maintenance and repair of streets within the Village.

***Fire Levy Fund*** This fund receives tax levy proceeds to provide Village fire protection

**Village of Pomeroy, Ohio**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
*(Continued)*

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

***Fund Accounting (Continued)***

***Permanent Funds*** These funds account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs (for the benefit of the government or its citizenry). The Village had the following significant permanent fund:

***Beech Grove Cemetery Fund*** This fund receives interest earned on the nonspendable corpus from a cemetery endowment. These earnings are used for the general maintenance and upkeep of the Village's cemetery.

***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.

***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.

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 Mayor's Court transactions.

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 §117.38 and Ohio Administrative Code § 117-2-03 (C). This basis is similar to the cash receipts and disbursements accounting basis. The Board 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 § 117.38 and Ohio Administrative Code § 117-2-03 (C) permit.

**Village of Pomeroy, Ohio**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
*(Continued)*

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

***Budgetary Process***

The Ohio Revised Code requires that each fund (except certain custodial funds) 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. The Village did not encumber all commitments required by Ohio law.

A summary of 2021 budgetary activity appears in Note 4.

***Deposits***

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.

***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***

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

***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 Pomeroy, Ohio**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
*(Continued)*

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

***Fund Balance (Continued)***

***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 – Compliance**

Contrary to Ohio law, budgetary expenditures exceeded appropriation authority in the General Fund, FD Equipment Grant Fund and Coronavirus Relief Fund by \$5,282, \$10,000, and \$87,858, respectively, for the year ended December 31, 2021.

**Note 4 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2021 follows:

2021 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$603,300	\$788,372	\$185,072
Special Revenue	489,700	550,310	60,610
Permanent	0	0	0
Enterprise	3,438,811	3,796,773	357,962
Total	\$4,531,811	\$5,135,455	\$603,644



**Village of Pomeroy, Ohio**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
*(Continued)*

**Note 4 – Budgetary Activity (Continued)**

2021 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$610,640	\$615,922	(\$5,282)
Special Revenue	654,800	487,994	166,806
Permanent	0		0
Enterprise	3,806,707	3,472,797	333,910
<b>Total</b>	<b>\$5,072,147</b>	<b>\$4,576,713</b>	<b>\$495,434</b>

**Note 5 – 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 investments accounts are as follows:

	2021
<b><i>Cash Management Pool:</i></b>	
Demand deposits	\$1,600,139
Certificates of deposit	49,783
Total deposits	1,649,922
U.S. Savings Bond	500
Total investments	500
Total carrying amount of deposits held in the Pool (ties to FS)	\$1,650,422

***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.

**Note 6 – 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 owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

**Village of Pomeroy, Ohio**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
*(Continued)*

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**Note 6 – Taxes (Continued)**

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.

***Income Taxes***

The Village levies a municipal income tax of 1 percent on substantially all earned income arising from employment, residency, or business activities within the Village as well as certain income of residents earned outside of the Village.

Employers within the Village withhold income tax on employee compensation and remit the tax to the Village either monthly or quarterly, as required. Corporations and other individual taxpayers pay estimated taxes quarterly and file a declaration annually.

The tax is collected by the Regional Income Tax Agency (RITA) and is deposited in the Village bank account twice a month.

**Note 7 – Risk Management**

The Village belongs to the Ohio Plan Risk Management, Inc. (OPRM) (the "Plan"), a non-assessable, unincorporated non-profit association providing a formalized, jointly administered self-insurance risk management program 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, 2010 (through October 31, 2017), the corridor is for losses paid is between 60% and 70% of casualty premiums earned in the first \$250,000. 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 remain unchanged effective November 1, 2021 and November 1, 2020. OPRM had 769 members as of December 31, 2021.

The Pool's audited financial statements conform with generally accepted accounting principles, and reported the following assets, liabilities and equity at December 31, 2021.

Assets	\$ 21,777,439
Liabilities	<u>( 15,037,383)</u>
Members' Equity	<u>\$ 6,740,056</u>

You can read the complete audited financial statements for OPRM at the Plan's website, [www.ohioplan.org](http://www.ohioplan.org).

**Village of Pomeroy, Ohio**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
*(Continued)*

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**Note 8 – 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, 2021.

***Ohio Police and Fire Retirement System***

The 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, 2021.

***Social Security***

The Village's elected officials 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, 2021.

**Note 9 – Postemployment Benefits**

Both OPERS and OP&F offer cost-sharing, multiple-employer defined benefit postemployment plans, which include multiple health care plans including medical coverage, prescription drug coverage, deposits to a Health Reimbursement Arrangement, and Medicare Part B premium reimbursements, to qualifying benefit recipients. The portion of employer contributions allocated to health care for OPERS members in the Traditional Pension Plan and Combined Plan was 0 percent during calendar year 2021. The portion of employer contributions allocated to health care for OPERS members in the Member Directed Plan was 4.0 percent during calendar year 2021. OP&F contributes 0.5 percent to fund these benefits.

**Village of Pomeroy, Ohio**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
*(Continued)*

**Note 10 – Debt**

Debt outstanding at December 31, 2021, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OPWC CR10D	\$2,412	2.00%
OPWC CR08K	135,858	0%
OPWC CR08P	45,711	0%
OPWC CR08R	90,009	0%
OWDA 4047	322,072	2.00%
OWDA 5220	47,918	0%
OWDA 6221	569,736	2.00%
OWDA 6842	733,429	2.00%
OWDA 8328	41,369	0%
OWDA 8883	442,494	0%
OWDA 8911	34,710	0.05%
OWDA 9476	141,827	0%
Building Loan	425,202	4.10%
Ally Finance - Chevrolet Truck	11,515	5.24%
Ally Finance - Ford F-150 Truck	11,821	8.09%
Farmers Bank - Paving Loan #153977	56,438	4.75%
Farmers Bank - Fire Truck Loan #154526	69,884	4.87%
Kansas State Bank - Mini Excavtor	36,031	3.22%
USDA Police Vehicle Bond	18,500	Various
Total	<u>\$3,236,936</u>	

The OPWC CR10D Loan Water Main Replacement Phase 3 project total amount awarded was \$80,000. This loan will be repaid in semi-annual installments of \$2,436, including interest through 2022.

The OPWC CR08R Loan Second, Lynn and Court Streets Water main replacement will be repaid in semi-annual installments of \$8,182.68 through 2032. The OPWC CR08K Loan Lincoln Hill Waterline Replacement project's total amount awarded was \$239,750. This loan will be repaid in semi-annual installments of \$3,996, including interest through 2038. The OPWC CR08P Roadway Resurfacing Loan will be repaid in semi-annual installments of \$2,540 through 2031.

The OWDA 4047 Loan New Water Treatment Plant project's total amount awarded was \$633,897. The loan will be repaid in semi-annual installments of \$14,129, including interest through 2034.

The OWDA 5220 Loan Water Meter Replacement project's total amount awarded was \$77,705. The loan will be repaid in semiannual installments of \$1,295, through 2040.

The OWDA 6221 Loan Waterline Replacement/Hydrant Improvements project's total amount awarded as of December 31, 2014 was \$1,046,278, with \$314,230 of that amount repaid as principal forgiveness. The loan will be repaid in semiannual installments of \$16,367, through 2043.

**Village of Pomeroy, Ohio**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
*(Continued)*

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**Note 10 – Debt (Continued)**

The OWDA 6842 Loan Booster Station project's total amount awarded in 2014. Total project was \$1,210,417 with principal forgiveness of \$359,352. The loan will be repaid in semi-annual installments of \$18,609, including interest, through 2046.

The OWDA 8328 Loan for the State Route 7 Sewer Extension project was awarded in 2018. Total project financed after principal forgiveness was \$43,546. The loan will be repaid in semiannual installments of \$726, through 2050.

The OWDA 8883 loan for a water meter replacement project was awarded in 2020. The project was approved to finance \$455,164 over 20 years but the final amount financed was \$442,494. The loan will be repaid in semiannual installments of \$11,062, through 2042.

The OWDA 8911 loan for the 833 waterline replacement project was awarded in 2020. The project was approved to finance \$42,600 over 20 years but the final amount financed was \$34,710. The loan will be repaid in semiannual installments of \$913, through 2041.

The OWDA 9476 loan for water system improvements was approved for \$415,606. At this time, the project was not completed and an amortization schedule was not available.

The Village was approved for OWDA 9152 loan for 833 sewer extension phase 2. Through December 31, 2021, \$774,987 was disbursed but was entirely repaid through principal forgiveness.

The Building note was issued in 2009 for a Village Department Building. The note was for \$575,000. The note will be repaid in monthly installments of \$2,798, including interest through 2040.

The Village financed a 2017 Chevrolet Truck through Ally Finance on May 11, 2018 in the amount of \$39,610 over five years. This loan will be repaid in monthly installments of \$753.50.

The Village financed a Ford F-150 Truck through Ally Finance on December 9, 2018 in the amount of \$21,733 over six years. This loan will be repaid in monthly installments of \$383.30.

The Village obtained a commercial promissory note through Farmers Bank and Savings Co. on October 26, 2018 in the amount of \$75,650 for the purpose of paving Union Avenue. This loan will be repaid in semi-annual installments of \$4,814, including interest through 2028.

The Village obtained a commercial promissory note through Farmers Bank and Savings Co. on August 7, 2019 in the amount of \$150,000 for the purpose of refinancing and update fire trucks purchased. This loan will be repaid in semi-annual installments of \$18,552, including interest, through 2023.

The Village obtained a loan through Kansas State Bank on August 1, 2019 in the amount of \$71,008 to purchase a mini excavator. This loan will be repaid in annual installments of \$12,791.80, including interest, through 2024.

The USDA Police Vehicle Bond was issued on April 14, 2021. The bonds will be repaid in annual installments ranging from \$3500 to \$3,900 plus interest through 2026.

**Village of Pomeroy, Ohio**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
*(Continued)*

**Note 10 – Debt (Continued)**

***Amortization***

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

Year ending December 31:	OPWC CR10D	OPWC CR08K	OPWC CR08P	OPWC CR08R
2022	2,436	7,992	5,079	8,183
2023	0	7,992	5,079	8,183
2024	0	7,992	5,079	8,183
2025	0	7,992	5,079	8,183
2026	0	7,992	5,079	8,183
2027-2031	0	39,960	20,316	40,911
2032-2036	0	39,960	0	8,183
2037-2038	0	15,978	0	0
Total	<u>\$2,436</u>	<u>\$135,858</u>	<u>\$45,711</u>	<u>\$90,009</u>

Year ending December 31:	OWDA 4047	OWDA 5220	OWDA 6221	OWDA 6842	OWDA 8328	OWDA 8883	OWDA 8911
2022	28,258	2,590	32,734	37,219	1,451	22,125	1,826
2023	28,258	2,590	32,734	37,219	1,451	22,125	1,826
2024	28,258	2,590	32,734	37,219	1,451	22,125	1,826
2025	28,258	2,590	32,734	37,219	1,451	22,125	1,826
2026	28,258	2,590	32,734	37,219	1,451	22,125	1,826
2027-2031	141,290	12,950	163,670	186,095	7,260	110,620	9,130
2032-2036	56,516	12,950	163,670	186,095	7,260	110,620	9,130
2037-2041	0	9,068	163,670	186,095	7,260	110,629	9,130
2042-2046	0	0	49,101	167,481	7,260	0	0
2047-2050	0	0	0	0	5,074	0	0
Total	<u>\$339,096</u>	<u>\$47,918</u>	<u>\$703,781</u>	<u>\$911,861</u>	<u>\$41,369</u>	<u>\$442,494</u>	<u>\$36,520</u>

Year ending December 31:	Building Loan	Kansas State Bank	Chevy Truck	Ford F- 150	Farmers #153977	Farners #154526
2022	\$33,577	\$12,792	\$9,042	\$4,600	\$9,628	\$37,104
2023	33,577	12,792	3,014	4,600	9,628	37,104
2024	33,577	12,792	0	4,216	9,628	0
2025	33,577	0	0	0	9,628	0
2026	33,577	0	0	0	9,628	0
2027-2031	167,885	0	0	0	19,256	0
2032-2036	167,885	0	0	0	0	0
2037-2040	81,296	0	0	0	0	0
Total	<u>\$584,951</u>	<u>\$38,376</u>	<u>\$12,056</u>	<u>\$13,416</u>	<u>\$67,396</u>	<u>\$74,208</u>

**Village of Pomeroy, Ohio**  
*Meigs County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2021*  
*(Continued)*

**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:

Fund Balances	General	Special Revenue	Permanent	Total
Nonspendable:				
Unclaimed Monies	\$1,590	\$0	\$0	\$1,590
Corpus	0	0	38,782	38,782
Outstanding Encumbrances	0	0	0	0
<i>Total</i>	<u>\$1,590</u>	<u>\$0</u>	<u>\$38,782</u>	<u>\$40,372</u>

The fund balance of special revenue funds is either restricted or committed. 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 and permanent funds would include the outstanding encumbrances. In the general fund, outstanding encumbrances are considered assigned.

**Note 12 – Public Entity Risk Pool**

The Village participates in the Ohio Municipal League Group Rating Plan (GRP) for worker’s compensation. The pool’s business and affairs are conducted by a twenty-six member Board of Trustees consisting of fifteen mayors, two council members, three administrators, three finance directors, and three law directors which are voted on by the members for staggered two-year terms. The Executive Director of the Ohio Municipal League serves as the coordinator of the Program. Each year the participants pay an enrollment fee to the program to cover the costs of administering the program.

**Note 13 – COVID-19**

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

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# 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 Pomeroy  
Meigs County  
660 East Main Street  
Pomeroy, Ohio 45769

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 years ended December 31, 2022 and 2021 and the related notes to the financial statements of the Village of Pomeroy, Meigs County, (the Village) and have issued our report thereon dated June 24, 2024, 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 opinions 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 2022-003 through 2022-005 that we consider to be material weaknesses.

**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 2022-001 and 2022-002.

**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. 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  
Auditor of State  
Columbus, Ohio

June 24, 2024

**VILLAGE OF POMEROY  
MEIGS COUNTY  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021**

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

**FINDING NUMBER 2022-001**

**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 Rev. Code.

Due to inadequate policies and procedures in approving and reviewing budget versus actual information, the Village had expenditures in excess of appropriations as follows:

<u>December 31, 2021</u>	<u>Authority</u>	<u>Expenditures</u>	<u>Variance</u>
Fire Dept. Equipment Grant Fund	\$ -	\$ 10,000	\$ (10,000)
Coronavirus Relief Fund	-	87,858	(87,858)
<u>December 31, 2022</u>	<u>Authority</u>	<u>Expenditures</u>	<u>Variance</u>
Fire Levy Fund	\$ 180,000	\$ 243,212	\$ (63,212)

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 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:** The village will monitor budget versus actual information to avoid this in the future.

**FINDING NUMBER 2022-002**

**Noncompliance**

**Ohio Rev. Code § 5705.41(D)(1)** provides that no orders or contracts involving the expenditure of money are to be made unless there is attached thereto a certificate of the fiscal officer certifying that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. Every such contract made without such a certificate shall be void and no warrant shall be issued in payment of any amount due thereon.

There are several exceptions to the standard requirement stated above that a fiscal officer's certificate must be obtained prior to a subdivision or taxing authority entering into a contract or order involving the expenditure of money. The main exceptions are: "then and now" certificates, blanket certificates, and super blanket certificates, which are provided for in §§ 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

VILLAGE OF POMEROY  
MEIGS COUNTY

SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021  
(Continued)

FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)

FINDING NUMBER 2022-002 (Continued)

Noncompliance - Ohio Rev. Code § 5705.41(D)(1) (Continued)

1. "Then and Now" certificate – If the fiscal officer can certify that both at the time that the contract or order was made ("then"), and at the time that the fiscal officer is completing the certification ("now"), that sufficient funds were available or in the process of collection, to the credit of a proper fund, properly appropriated and free from any previous encumbrance, the Village Council can authorize the drawing of a warrant for the payment of the amount due. The Village Council has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution.

Amounts of less than \$100 in counties and less than \$3,000 in all other subdivisions may be paid by the fiscal officer without a resolution or ordinance upon completion of the "then and now" certificate, provided that the expenditure is otherwise lawful. This does not eliminate any otherwise applicable requirement for approval of expenditures by the Village.

2. Blanket Certificate – The auditor or fiscal officer may prepare "blanket" certificates for a certain sum of money, not in excess of an amount established by resolution or ordinance adopted by a majority of the members of the legislative authority, against any specific line item account over a period not running beyond the end of the current fiscal year. The blanket certificates may, but need not, be limited to a specific vendor. Only one blanket certificate may be outstanding at one particular time for any one particular line item appropriation.

3. Super Blanket Certificate – The Village Council may also make expenditures and contracts for any amount from a specific line-item appropriation account in a specified fund upon certification of the fiscal officer for most professional services, fuel oil, gasoline, food items, roadway materials, utilities, and any other specific recurring and reasonably predictable operating expense. This certification may, but need not, be limited to a specific vendor.

This certification is not to extend beyond the current year. More than one super blanket certificate may be outstanding at a particular time for any line-item appropriation.

Due to deficiencies in internal controls, 100% of 2021 and 60% of 2022 transactions tested at year-end were not certified by the Fiscal Officer at the time the commitment was incurred, and there was no evidence the Village followed the aforementioned exceptions. Failure to properly certify the availability of funds can result in overspending funds and negative cash fund balances.

Unless the exceptions noted above are used, prior certification is not only required by statute but is a key control in the disbursement process to help ensure purchase commitments receive prior approval. To improve controls over disbursements and to help reduce the possibility of the Village's funds exceeding budgetary spending limitations, the Fiscal Officer should certify the funds are or will be available prior to obligation by the Village. When prior certification is not possible, "then and now" certification should be used.

**Officials' Response:** The Village will use purchase orders for all purchases. The Village will adopt a resolution establishing the maximum amount authorized for blanket certificates.

**VILLAGE OF POMEROY  
MEIGS COUNTY  
SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021  
(Continued)**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

**FINDING NUMBER 2022-003**

**Material Weakness**

In our audit engagement letter, as required by AU-C § 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 § 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 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.

At December 31, 2021, estimated receipts as approved by the Budget Commission did not agree to the Village's accounting system. The variances and funds are as follows:

	<u>Approved</u>	<u>UAN System</u>	<u>Variance</u>
General Fund	\$ 603,300	\$ 608,272	\$ (4,972)
Law Enforcement Trust Fund	1,990	2,490	(500)
Street Light Fund	15,736	19,811	(4,075)
Police Levy Fund	69,000	45,000	24,000
Meter Deposit Fund	1,200	4,500	(3,300)

At December 31, 2022, estimated receipts as approved by the Budget Commission did not agree to the Village's accounting system. The variances and funds are as follows:

	<u>Approved</u>	<u>UAN System</u>	<u>Variance</u>
General Fund	\$ 553,850	\$ 564,470	\$ (10,620)
Fire Levy Fund	131,000	208,836	(77,836)

**VILLAGE OF POMEROY  
MEIGS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021  
(Continued)**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)**

**FINDING NUMBER 2022-003 (Continued)**

**Material Weakness (Continued)**

At December 31, 2021, appropriations as approved by the Village Council did not agree to the Village's accounting system. The variances are as follows:

	<u>Approved</u>	<u>UAN System</u>	<u>Variance</u>
General Fund	\$ 610,640	\$ 602,248	\$ 8,392
Street Construction, Repair and Maintenance Fund	200,000	175,000	25,000
State Highway Fund	9,000	5,000	4,000
Parks and Recreation Fund	20,000	17,000	3,000
Fire Department MARCS Grant Fund	720	270	450
Fire Department MARCS Grant 2021 Fund	-	450	(450)
Fire Department Equipment Grant Fund	-	10,000	(10,000)
Law Enforcement Trust Fund	10,000	11,140	(1,140)
ARPA Fund	-	89,900	(89,900)
Fire Levy Fund	275,000	214,000	61,000
Street Light Fund	50,000	25,300	24,700
Water Fund	1,708,483	1,654,517	53,966
SewerFund	2,068,224	2,032,872	35,352

At December 31, 2022, appropriations as approved by the Village Council did not agree to the Village's accounting system. The variances are as follows:

	<u>Approved</u>	<u>UAN System</u>	<u>Variance</u>
General Fund	\$ 623,190	\$ 642,266	\$ (19,076)
Fire Levy Fund	180,000	257,836	(77,836)
Water Fund	1,457,370	1,452,370	5,000

General Fund estimated receipts were overstated \$4,972, Special Revenue estimated receipts were understated \$19,426 and Enterprise estimated receipts were overstated \$3,300 in the notes to the financial statements at December 31, 2021. In addition, General Fund, Special Revenue and Enterprise appropriations were understated \$8,392, \$17,660 and \$89,318, respectively, in the notes to the financial statements at December 31, 2021.

Further, General Fund and Special Revenue estimated receipts were overstated \$10,620 and \$77,836, respectively, in the notes to the financial statements at December 31, 2022. Lastly, General Fund and Special Revenue appropriations were overstated \$19,076 and \$77,836, respectively and Enterprise appropriations were understated \$5,000 in the notes to the financial statements at December 31, 2022.

The Village did not have procedures in place to accurately post authorized budgetary measures to the accounting system. The appropriations (and/or amendments thereof) approved by Council were not properly posted to the accounting system. Additionally, the approved Certificate of Estimated Resources (and/or amendments thereof) was not properly posted to the accounting system.

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

**VILLAGE OF POMEROY  
MEIGS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2022-003 (Continued)**

**Material Weakness (Continued)**

To effectively control the budgetary cycle and to maintain accountability over receipts and expenditures, the Village Fiscal Officer should post to the ledgers, on a timely basis, estimated resources as certified by the budget commission and appropriations approved by the Council. The Village Council 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:** This will be monitored more closely and amended certificates will be requested as needed.

**FINDING NUMBER 2022-004**

**Material Weakness**

In our audit engagement letter, as required by AU-C § 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 § 210 paragraphs .A14 & .A16.

The following errors were noted in the financial statements that required audit adjustment or reclassification:

In 2021:

- General Fund Miscellaneous receipts were miss-posted as Charges for Services in the amount of \$29,350;
- General Fund Miscellaneous receipts and Security of Persons and Property disbursements were unrecorded in the amount of \$59,216;
- Refuse Fund was recorded as a Special Revenue Fund rather than an Enterprise Fund resulting in \$56 in Charges for Services and Fund Balance being overstated in the Special Revenue Fund Type and understated in the Enterprise Fund Type;
- Water Fund OWDA Loans Issued and related Capital Outlay disbursements in the amount of \$77,892 were unrecorded;
- Water Fund OWDA Loans Issued and related Capital Outlay disbursements in the amount of \$550,155, the principal forgiveness portion of this loan and Principal Payments in the amount of \$408,328 were unrecorded;
- Sewer Fund OWDA Loans Issued and related Capital Outlay disbursements in the amount of \$774,112, the principal forgiveness portion of the loan and Principal Payments in the amount of \$774,112 were unrecorded;
- Water Fund Capital Contributions were miss-posted as Other Debt Proceeds in the amount of \$72,632; and
- Mayor's Court Custodial Fund activity was not recorded on the financial statements resulting in and understatement of Fines, Licenses and Permits for Distribution in the amount of \$46,237, Distributions in the amount of \$47,137 and beginning balance of \$1,144.

**VILLAGE OF POMEROY  
MEIGS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2022-004 (Continued)**

**Material Weakness (Continued)**

In 2022:

- General Fund Miscellaneous receipts were miss-posted at Charges for Services in the amount of \$36,050;
- Fire Fund Capital Outlay disbursements were miss-posted as Security of Persons and Property in the amount of \$54,889;
- Refuse Fund was recorded as a Special Revenue Fund rather than an Enterprise Fund resulting \$123,596 in Charges for Services, Personal Services disbursements of \$111,639 and related Fund Balances being overstated in the Special Revenue Fund Type and understated in the Enterprise Fund Type;
- Water Fund Bank Loans Issued and related Capital Outlay disbursements of \$38,839 were unrecorded;
- Sewer Fund Bank Loans Issued and related Capital Outlay disbursements of \$38,838 were unrecorded;
- Water Fund Intergovernmental receipts and related Capital Outlay disbursements in the amount of \$229,400 were unrecorded;
- Water Fund OWDA Loans Issued and related Capital Outlay disbursements in the amount of \$299,891, the principal forgiveness portion of this loan and Principal Payments in the amount of \$89,240 were unrecorded;
- Sewer Fund OWDA Loans Issued and related Capital Outlay disbursements in the amount of \$1,639,618, the principal forgiveness portion of the loan and Principal Payments in the amount of \$1,639,618 were unrecorded; and
- Mayor's Court Custodial Fund activity was not recorded on the financial statements resulting in and understatement of Fines, Licenses and Permits for Distribution in the amount of \$29,172, Distributions in the amount of \$27,525 and beginning balance of \$246.

The Fiscal Officer made classification errors, but also did not post all of the activity that was handled by another entity on behalf of the Village to the Village's receipts and disbursements. Additionally, the Fiscal Officer would often post a receipt but the related disbursement would then be posted as a negative receipt which resulted in neither the revenue or disbursement being recorded in the financial statements. This resulted in the incorrect postings and unrecorded receipts and disbursements noted above.

The audited financial statements have been adjusted to reflect the items noted above.

The Fiscal Officer should review the Village Handbook for guidance to ensure the financial statements are complete and accurate.

**Officials' Response:** The Fiscal Officer will correct procedures so that these types of errors don't happen in the future.



**VILLAGE OF POMEROY  
MEIGS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2022 AND 2021  
(Continued)**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS (Continued)</b>
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**FINDING NUMBER 2022-005**

**Material Weakness**

Sound accounting practices require that when designing the public office's system of internal controls and the specific control activities, management should ensure adequate security of assets and records, and verify the existence and valuation of assets and liabilities and periodically reconcile them to the accounting records. The reconciliation of utility department subsidiary records to the Village's accounting system records is the most basic and primary control process performed.

During 2022 and 2021, monthly reconciliations were not performed between the Continental System (Utility) and UAN System (Accounting). We noted the Continental System receipt totals did not agree to the amounts posted in the UAN System for each month of the audit period. UAN totals initially exceeded the Continental System totals, however, although collected by the Utility Department, meter deposits, leak insurance and reconnect fees are posted directly to UAN as they do not flow through the Continental System. A recalculation of the reconciliation between UAN and the Continental System showed receipts in the Continental System exceeding the amounts posted to the UAN system by \$1,140 and \$2,248 in 2022 and 2021, respectively when subtracting from the UAN totals the amounts that were posted directly to UAN. However, all receipts from the Utility department are posted in UAN as being from the Public Works Department so errors in posting to the line items directly posted to UAN would skew the recalculation of the reconciliation. Without monthly reconciliations being performed and variances investigated and identified, this could lead to errors or theft going undetected for an extended period of time. This could also result in receipts not being properly reflected in the UAN System and in the financial statements. Items posted directly to UAN should be noted in the monthly reconciliations as reconciling items between the systems and should agree to the UAN line items for meter deposits, leak insurance and reconnect fees.

The Fiscal Officer should perform reconciliations monthly to ensure the amounts reflected in the Continental System agree to the amounts posted in the UAN System. Any noted variances should be investigated at that time and documentation maintained to support the identified variance.

**Officials' Response:** The Village is in the process of changing software for utility billing. There is a plan in place to reconcile the new software and the UAN system on a monthly basis.

# THE VILLAGE OF POMEROY

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## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

DECEMBER 31, 2022 AND 2021

Finding Number	Finding Summary	Status	Additional Information
2020-001	Ohio Rev. Code § 133.03(D) – Issuing debt for current expenses.	Corrected.	
2020-002	Ohio Rev. Code § 5705.41(B) – Disbursements exceeded appropriations.	Not Corrected.	This will be monitored more closely and procedures corrected.
2020-003	Ohio Rev. Code § 5705.41(D) – Not properly encumbering funds.	Not Corrected.	This will be monitored more closely and procedures corrected.
2020-004	Material weakness – Bank reconciliations not prepared timely.	Corrected.	
2020-005	Material weakness over Income Tax Collections.	Corrected.	
2020-006	Material weakness – Board approved estimated receipts and appropriations did not agree to amounts entered in UAN system.	Not Corrected.	This will be monitored more closely and procedures corrected.
2020-007	Material weakness of posting receipts and disbursements.	Not Corrected.	This will be monitored more closely and procedures corrected.

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF POMEROY**

**MEIGS 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 7/9/2024**

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

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