

**VILLAGE OF ABERDEEN  
BROWN COUNTY, OHIO**

**AUDITED FINANCIAL STATEMENTS  
FOR THE YEARS ENDED  
DECEMBER 31, 2011 AND 2010**





# Dave Yost • Auditor of State

Village Council  
Village of Aberdeen  
P.O. Box 509  
Aberdeen, Ohio 45101

We have reviewed the *Independent Auditors' Report* of the Village of Aberdeen, Brown County, prepared by Bastin & Company, LLC, for the audit period January 1, 2010 through December 31, 2011. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them. In conjunction with the work performed by the Independent Public Accountant, the Auditor of State is issuing the following:

## **FINDING FOR RECOVERY**

### *Employee Insurance*

On April 12, 2010, the Village adopted a resolution that reinstated the fiscal officer's pay to \$28,600 per year (\$550 per week). The resolution specifically stated that any additional payment for employee insurance were to be excluded and not reimbursed to the employee.

During 2010 and 2011, the Village's former fiscal officer Rhonda Bothman received 39 weekly payroll checks (36 in 2010 and 3 in 2011), for the correct, gross weekly amount of \$550, however, an additional amount of \$3.85 per week was added to compensate for employee paid insurance. As a result gross pay of \$150.15 (39 weeks at \$3.85) was paid contrary to the requirements established by the April 12, 2010 Resolution.

### *Accrued Sick Time*

Section 3 of Ordinance No. 1997-09 dated July 7, 1997, states that employees are entitled to 4 hours of sick leave per month. In addition, Section 6 of the Ordinance states that upon termination of service with the Village, employees are not entitled to any reimbursement of any unused sick days, except for employees hired prior to January 1, 1983.

During 2011, the Village's former fiscal officer Rhonda Bothman, who began employment with the Village during 2003, received a check upon leaving employment with the Village for 96 hours (the equivalent to 24 months at four hours per month) for unused sick time. As a result, gross pay for accrued sick time of \$1,316.16 was paid contrary to the requirements established by Ordinance No. 1997-09.

Village Council  
Village of Aberdeen  
P.O. Box 509  
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The above conditions result in overpayments of gross pay to Rhonda Bothman, former fiscal officer in the amount of \$1,466.31.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended is hereby issued against Rhonda Bothman and her bonding company Ohio Casualty Insurance Company in the amount of \$1,466, and in favor of the Village of Aberdeen General fund, in the amount of \$1,316, and the Village of Aberdeen Sewer Operating fund, in the amount of \$150.

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



Dave Yost  
Auditor of State

October 29, 2013

**VILLAGE OF ABERDEEN  
BROWN COUNTY, OHIO**

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# Bastin & Company, LLC

*Certified Public Accountants*

## **INDEPENDENT AUDITORS' REPORT**

To the Members of Village Council  
Village of Aberdeen, Brown County, Ohio

We have audited the accompanying financial statements of the Village of Aberdeen, Brown County, Ohio, (the Village) as of and for the years ended December 31, 2011 and 2010. These financial statements are the responsibility of the Village's management. Our responsibility is to express an opinion on these financial statements based on our audit.

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

As described more fully in Note 1, the Village has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Village's larger (i.e. major) funds separately. While the Village does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to GAAP presentation requirements. The Auditor of State permits, but does not require villages to reformat their statements. The Village has elected not to follow GAAP statement formatting requirements. The following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2011 and 2010 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Village as of December 31, 2011 and 2010, or its changes in financial position or cash flows, where applicable, for the years then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances as of December 31, 2011 and 2010, and the reserves for encumbrances as of December 31, 2010, of the Village, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

As described in Notes 4, and 12, the Village has issued \$2,700,000 of Water System Revenue Improvement Bonds, Series 2010, for the purpose of constructing improvements to its water system. During 2012 the Village has suspended all work related to the project and is involved in various lawsuits. In addition, the Village is not in compliance with various sections of the Bond Trust Indenture. The possible outcome of these matters is uncertain at this time.

As described in Note 1, during 2011 the Village adopted Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2013, on our consideration of the Village's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in conjunction with this report in considering the results of our audit.

A handwritten signature in cursive script that reads "Bastin & Company, LLC". The signature is written in black ink on a light-colored background.

Cincinnati, Ohio  
March 18, 2013

**VILLAGE OF ABERDEEN  
BROWN COUNTY, OHIO  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
<i>Cash Receipts:</i>			
Property and Other Local Taxes	\$ 28,400	\$ 24,553	\$ 52,953
Intergovernmental	93,301	69,093	162,394
Charges for Services	128,357	-	128,357
Licenses, Permits, and Fees	86,937	5,631	92,568
Municipal Income Tax	138,627	-	138,627
Earnings on Investments	519	1,433	1,952
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	476,141	100,710	576,851
<i>Cash Disbursements:</i>			
Current:			
General Government	79,668	-	79,668
Security of Persons and Property	266,514	20,781	287,295
Leisure Time Activities	9,640	13,728	23,368
Basic Utility Service	113,824	-	113,824
Transportation	-	117,678	117,678
Capital Outlay	-	181	181
Debt Service:			
Redemption of Principal	303	250	553
Interest and Fiscal Charges	49	41	90
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	469,998	152,659	622,657
Receipts Over (Under) Disbursements	6,143	(51,949)	(45,806)
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	40,542	123,161	163,703
Fund Cash Balances, December 31:			
Restricted	-	71,212	71,212
Assigned	15,074	-	15,074
Unassigned	31,611	-	31,611
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	\$ 46,685	\$ 71,212	\$ 117,897

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



**VILLAGE OF ABERDEEN  
BROWN COUNTY, OHIO  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES  
IN FUND CASH BALANCES - ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2011**

	Proprietary Fund Types	Fiduciary Fund Types	Totals (Memorandum Only)
	Enterprise	Agency	
<i>Operating Cash Receipts:</i>			
Charges for Services	\$ 738,481	\$ -	\$ 738,481
Total Operating Cash Receipts	738,481	-	738,481
<i>Operating Cash Disbursements:</i>			
Personal Services	107,285	-	107,285
Fringe Benefits	53,220	-	53,220
Contractual Services	223,146	-	223,146
Supplies and Materials	62,401	-	62,401
Other	10,430	-	10,430
Total Operating Cash Disbursements	456,482	-	456,482
Operating Income	281,999	-	281,999
<i>Non-Operating Cash Receipts:</i>			
Federal Interest Subsidy	73,560	-	73,560
Other Non-Operating Receipts	-	74,626	74,626
Total Non-Operating Cash Receipts	73,560	74,626	148,186
<i>Non-Operating Cash Disbursements:</i>			
Redemption of Principal	108,216	-	108,216
Interest and Other Fiscal Charges	45,618	-	45,618
Capital Outlay	255,022	-	255,022
Other Non-Operating Disbursements	-	73,034	73,034
Total Non-Operating Cash Disbursements	408,856	73,034	481,890
Excess of Receipts Over Disbursements Before Transfers and Advances	(53,297)	1,592	(51,705)
Transfers-In	309,676	-	309,676
Transfers-Out	(309,676)	-	(309,676)
Net Receipts Over (Under) Disbursements	(53,297)	1,592	(51,705)
Fund Cash Balances, January 1	3,097,663	4,945	3,102,608
Fund Cash Balances, December 31	\$ 3,044,366	\$ 6,537	\$ 3,050,903

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

**VILLAGE OF ABERDEEN  
BROWN COUNTY, OHIO  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,  
AND CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Governmental Fund Types		Totals (Memorandum Only)
	General	Special Revenue	
<i>Cash Receipts:</i>			
Property and Other Local Taxes	\$ 26,021	\$ 21,378	\$ 47,399
Intergovernmental	44,293	59,615	103,908
Charges for Services	128,573	-	128,573
Licenses, Permits, and Fees	92,060	-	92,060
Municipal Income Tax	148,608	-	148,608
Earnings on Investments	215	605	820
	<u>439,770</u>	<u>81,598</u>	<u>521,368</u>
<i>Cash Disbursements:</i>			
Current:			
General Government	105,742	-	105,742
Security of Persons and Property	241,917	12,669	254,586
Basic Utility Service	116,324	-	116,324
Transportation	-	82,099	82,099
Capital Outlay	-	4,379	4,379
Debt Service:			
Redemption of Principal	384	146	530
Interest and Fiscal Charges	110	42	152
	<u>464,477</u>	<u>99,335</u>	<u>563,812</u>
Receipts Over (Under) Disbursements	(24,707)	(17,737)	(42,444)
Fund Cash Balances, January 1	<u>65,249</u>	<u>140,898</u>	<u>206,147</u>
Fund Cash Balances, December 31	<u>\$ 40,542</u>	<u>\$ 123,161</u>	<u>\$ 163,703</u>
Reserve for Encumbrances, December 31	<u>\$ 12,483</u>	<u>\$ 1,461</u>	<u>\$ 13,944</u>

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

**VILLAGE OF ABERDEEN  
BROWN COUNTY, OHIO  
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGES  
IN FUND CASH BALANCES - ALL PROPRIETARY AND SIMILAR FIDUCIARY FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2010**

	Proprietary Fund Types	Fiduciary Fund Types	Totals (Memorandum Only)
	Enterprise	Agency	
<i>Operating Cash Receipts:</i>			
Charges for Services	\$ 617,834	\$ -	\$ 617,834
Total Operating Cash Receipts	617,834	-	617,834
<i>Operating Cash Disbursements:</i>			
Personal Services	108,902	-	108,902
Fringe Benefits	58,161	-	58,161
Contractual Services	218,481	-	218,481
Supplies and Materials	143,737	-	143,737
Other	9,682	-	9,682
Total Operating Cash Disbursements	538,963	-	538,963
Operating Income	78,871	-	78,871
<i>Non-Operating Cash Receipts:</i>			
Sale of Bonds	2,700,000	-	2,700,000
Other Non-Operating Receipts	-	50,353	50,353
Total Non-Operating Cash Receipts	2,700,000	50,353	2,750,353
<i>Non-Operating Cash Disbursements:</i>			
Redemption of Principal	105,892	-	105,892
Interest and Other Fiscal Charges	39,288	-	39,288
Capital Outlay	24,467	-	24,467
Cost of Issuance	47,431	-	47,431
Other Non-Operating Disbursements	-	49,559	49,559
Total Non-Operating Cash Disbursements	217,078	49,559	266,637
Excess of Receipts Over Disbursements Before Transfers and Advances	2,561,793	794	2,562,587
Transfers-In	48,090	-	48,090
Transfers-Out	(48,090)	-	(48,090)
Net Receipts Over (Under) Disbursements	2,561,793	794	2,562,587
Fund Cash Balances, January 1	535,870	4,151	540,021
Fund Cash Balances, December 31	<u>\$ 3,097,663</u>	<u>\$ 4,945</u>	<u>\$ 3,102,608</u>
Reserve for Encumbrances, December 31	<u>\$ 12,498</u>	<u>\$ -</u>	<u>\$ 12,498</u>

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

**VILLAGE OF ABERDEEN  
BROWN COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The constitution and laws of the State of Ohio establish the rights and privileges of the Village of Aberdeen, Brown County, Ohio (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides water and sewer utilities, street maintenance and police protection.

The Village participates in the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. PEP is a member of the American Public Entity Excess Pool (APEEP). Note 10 to the financial statements provides additional information for this entity.

The Village's management believes these financial statements present all activities for which the Village is financially accountable.

**B. Accounting Basis**

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**C. Deposits and Investments**

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

Money market mutual funds (including STAR Ohio) are recorded at share values the mutual funds report.

**D. Fund Accounting**

The Village uses fund accounting to segregate cash and investments that are restricted as to use. The Village classifies its funds into the following types:

**1. General Fund**

The General Fund reports all financial resources except those required to be accounted for in another fund.

**VILLAGE OF ABERDEEN  
BROWN COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(continued)**

**2. Special Revenue Funds**

These funds account for proceeds from specific sources (other than from private-purpose trusts or for capital projects) that are restricted to expenditure for specific purposes. The Village had the following significant Special Revenue Fund:

*Street Construction, Maintenance and Repair Fund* - This fund receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

**3. 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:

*Sewer Fund* - This fund receives charges for services from residents to cover the cost of providing this utility.

*Water Fund* - This fund receives charges for services from residents to cover the cost of providing this utility.

*2010 Revenue Bond Series A* - This fund maintains proceeds from the \$2,700,000 Water System Revenue Improvement Bonds, Series 2010, for payment of project construction costs.

**4. Fiduciary Fund (Agency Fund)**

Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village disburses these funds as directed by the individual, organization or other government. The Village had the following Fiduciary Fund:

*Mayor's Court* - This fund receives fines and forfeitures collected by Mayor's Court which are distributed to the Village and the State.

**E. Budgetary Process**

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

**1. 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. The County Budget Commission must also approve the annual appropriation measure. Unencumbered appropriations lapse at year end.

**VILLAGE OF ABERDEEN  
BROWN COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(continued)**

**2. 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 also approve estimated resources.

**3. 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 re-appropriated.

A summary of 2011 and 2010 budgetary activity appears in Note 3.

**F. Fund Balance**

For December 31, 2011, 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:

**1. Nonspendable**

The Village classifies assets as *nonspendable* when legally or contractually required to maintain the amounts intact.

**2. 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.

**3. 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.

**4. Assigned**

Assigned fund balances are intended for specific purposes but do not meet the criteria to be classified as *restricted* or *committed*. Governmental funds other than the General Fund report all fund balances as *assigned* unless they are restricted or committed. In the General Fund, *assigned* amounts represent intended uses established by Village Council or a Village official delegated that authority by resolution, or by State Statute.

**VILLAGE OF ABERDEEN  
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NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(continued)**

**5. 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.

**G. Property, Plant and Equipment**

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

**H. 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.

**2. EQUITY IN POOLED DEPOSITS AND INVESTMENTS**

Funds on deposit in trust accounts related to Water System Revenue Improvement Bonds, Series 2010, are restricted to specific uses by bond covenants. For all other funds, the Village maintains a deposit and investments pool that all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	<u>2011</u>	<u>2010</u>
Demand deposits	\$ 422,098	\$ 430,225
Deposits in bond accounts	<u>2,746,702</u>	<u>2,700,674</u>
Total deposits	<u>3,168,800</u>	<u>3,130,899</u>
STAR Ohio	<u>-</u>	<u>135,412</u>
Total investments	<u>-</u>	<u>135,412</u>
Total deposits and investments	<u>\$3,168,800</u>	<u>\$3,266,311</u>

**Deposits:** Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by the financial institution's public entity deposit pool.

**Investments:** Investments in STAR Ohio are not evidenced by securities that exist in physical or book-entry form.

**VILLAGE OF ABERDEEN  
BROWN COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(continued)**

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ending December 31, 2011 and 2010 follows:

2011 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 455,653	\$ 476,141	\$ 20,488
Special Revenue	83,291	100,710	17,419
Enterprise	1,047,678	1,121,717	74,039
Total	\$ 1,586,622	\$ 1,698,568	\$ 111,946

2011 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 496,026	\$ 485,072	\$ 10,954
Special Revenue	169,138	154,538	14,600
Enterprise	3,915,506	2,966,325	949,181
Total	\$ 4,580,670	\$ 3,605,935	\$ 974,735

2010 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$ 424,000	\$ 439,770	\$ 15,770
Special Revenue	93,500	81,598	(11,902)
Enterprise	3,526,000	3,365,924	(160,076)
Total	\$ 4,043,500	\$ 3,887,292	\$ (156,208)

2010 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$ 434,798	\$ 476,960	\$ (42,162)
Special Revenue	106,591	100,796	5,795
Enterprise	705,848	816,629	(110,781)
Total	\$ 1,247,237	\$ 1,394,385	\$ (147,148)



**VILLAGE OF ABERDEEN  
BROWN COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(continued)**

**4. COMPLIANCE**

Contrary to Village resolutions and ordinances, payments to a former employee were made contrary to the established policies of the Village.

Contrary to Ohio Revised Code Section 5705.41(B), four funds in 2010 had expenditures in excess of appropriations.

Contrary to Ohio Revised Code Section 5705.39, four funds in 2011 and three funds in 2010 had appropriations in excess of estimated resources.

Contrary to Ohio Revised Code Section 5705.41(D), the availability of funds was not properly certified prior to the time of commitment for various expenditures.

Contrary to Ohio Revised Code Section 733.40, distributions of Mayor's Court funds to the Village's general operating fund were not made within the specified time requirements.

Contrary to Section 3.06 of the Trust Indenture for the \$2,700,000 Water System Revenue Improvement Bonds, Series 2010, the Village did not meet revenue covenants for 2011 that require net operating revenues of the water system to exceed 120% of debt service amounts. In addition, Section 4.01 of the Trust Indenture states that the Village covenants that it will promptly construct the intended improvements within a reasonable time after the issuance of the Series 2010 Bonds. As further discussed in Note 12, the Village has ceased construction of the project.

**5. PROPERTY TAX**

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 homestead and rollback deductions. The financial statements include homestead and rollback 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.

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

Tangible personal property tax is assessed by the property owners, who must file a list of such property to the County by each April 30.

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

**6. LOCAL INCOME TAX**

The Village levies a municipal income tax of one 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.

**VILLAGE OF ABERDEEN  
BROWN COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(continued)**

**7. DEBT**

Debt outstanding at December 31, 2011 was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
Ohio Water Development Authority Loan #3306	\$ 629,800	2.20%
Ohio Public Works Commission Loan	144,787	0.00%
Ohio Water Development Authority Loan 2007 #4804	733,138	2.86%
Water System Revenue Improvement Bonds, Series 2010	<u>2,700,000</u>	2.40-8.00%
Total	<u>\$ 4,207,725</u>	

During 2000, the Village obtained an Ohio Water Development Authority (OWDA) loan for a sewer plant expansion project. This loan will be repaid in semi-annual installments of \$36,913, including interest. The loan is collateralized by sewer receipts.

During 2001, the Village obtained an Ohio Public Works Commission (OPWC) loan for a sewer plant expansion project. This loan will be repaid in semi-annual installments of \$6,895. The loan is collateralized by sewer receipts.

During 2007, the Village obtained an Ohio Water Development Authority (OWDA) for \$863,740 for installing water meters. As of December 31, 2011, \$851,179 of the loan had been disbursed on behalf of the Village by OWDA. Until the project is finalized, the loan requires semiannual installments of \$28,505, including interest, over 20 years.

On December 30, 2010 the Village issued \$2,700,000 of Water System Revenue Improvement Bonds, Series 2010, for the purpose of constructing improvements to its water system, including acquisition, construction and installation of a new water treatment plant. The bonds were issued as \$2,500,000 Water System Revenue Improvement Bonds, Series 2010A, and \$200,000 of Water System Revenue Improvement Bonds, Series 2010B.

The Series 2010A Bonds will mature on December 1 in various amounts ranging from \$25,000 in 2013 to \$195,000 in 2040. The Series 2010A Bonds carry interest at rates varying from 6.00 percent to 8.00 percent per annum, payable semi-annually on June 1 and December 1. The Series 2010A Bonds are Recovery Zone Economic Development Bonds subject to a Federal subsidy that reimburses the Village 45 percent of interest payable on the Bonds.

The Series 2010B Bonds will mature on December 1 in various amounts ranging from \$5,000 in 2013 to \$15,000 in 2040. The Series 2010B Bonds carry interest at rates varying from 2.40 percent to 5.25 percent per annum, payable semi-annually on June 1 and December 1.

**VILLAGE OF ABERDEEN  
BROWN COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(continued)**

Amortization of the above debt, including interest, is scheduled below. Amounts for the Water System Revenue Improvement Bonds, Series 2010 are presented net of the 45% federal interest subsidy.

Year ending December 31:	Ohio Water Development Authority Loan #3306	Ohio Public Works Commission Loan	Ohio Water Development Authority Loan 2007 #4804	Water System Revenue Improvement Bonds, Series 2010	Total
2012	\$ 73,826	\$ 13,790	\$ 57,010	\$ 107,207	\$ 251,833
2013	73,826	13,790	57,010	137,207	281,833
2014	73,826	13,790	57,010	141,262	285,888
2015	73,826	13,790	57,010	140,144	284,770
2016	73,826	13,790	57,010	139,019	283,645
2017-2021	332,219	68,950	285,050	797,467	1,483,686
2022-2026	-	6,887	285,050	789,697	1,081,634
2027-2031	-	-	85,505	856,312	941,817
2032-2036	-	-	-	935,631	935,631
2037-2040	-	-	-	831,160	831,160
Total	<u>\$ 701,349</u>	<u>\$ 144,787</u>	<u>\$ 940,655</u>	<u>\$ 4,875,106</u>	<u>\$ 6,661,897</u>

Section 3.06 of the Trust Indenture for the \$2,700,000 Water System Revenue Improvement Bonds, Series 2010, legislation provides that the Village will charge rates and restrict operating and maintenance expenses as shall result in net revenues of the water system to equal not less than 120 percent of the highest remaining annual amount of principal and interest requirement on the bonds (coverage ratio).

For the year ended December 31, 2011 the water system's coverage ratio is as follows:

Operating cash receipts	\$ 412,196
Operating cash disbursements	(198,699)
Net pledged revenues	<u>\$213,497</u>
Highest remaining annual debt service	<u>\$276,788</u>
Actual coverage ratio	<u>77.1%</u>
Required coverage ratio	<u>120%</u>

For 2011, the net revenues of the water system were not sufficient to meet the required bond coverage ratio of 120%.

**VILLAGE OF ABERDEEN  
BROWN COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(continued)**

**8. CAPITAL LEASE**

During 2008 the Village entered into a capital lease for a phone system in the amount of \$4,879. Amortization of the remaining lease, including interest, is scheduled as follows:

<u>Year ending December 31,</u>	<u>Amount</u>
2012	\$1,225
2013	<u>102</u>
Total minimum lease payments	1,327
Less: amount representing interest	<u>(70)</u>
Present value of future minimum lease payments	<u>\$1,257</u>

**9. RETIREMENT MANAGEMENT**

The Village's full-time Police Officers belong to the Police and Fire Pension Fund (OP&F). Other employees belong to the Ohio Public Employees Retirement System (OPERS). OP&F and OPERS are cost-sharing, multiple-employer plans. The Ohio Revised Code prescribes these plans' benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2011 and 2010, OP&F participants contributed 10% of their wages. For 2011 and 2010, the Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. For 2011 and 2010, OPERS members contributed 10% of their gross salaries and the Village contributed an amount equaling 14% of participants' gross salaries. The Village has paid all contributions required through December 31, 2011.

**10. RISK POOL MANAGEMENT**

The Village is exposed to various risks of property and casualty losses, and injuries to employees.

The Village insures against injuries to employees through the Ohio Bureau of Worker's Compensation.

The Village belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2011, PEP retained \$350,000 for casualty claims and \$150,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP's primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective Village.

**VILLAGE OF ABERDEEN  
BROWN COUNTY, OHIO  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2011 AND 2010  
(continued)**

Financial Position

PEP's financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2011 and 2010:

	2011	2010
Assets	\$33,362,404	\$34,952,010
Liabilities	(14,187,273)	(14,320,812)
Net Assets	\$19,175,131	\$20,631,198

At December 31, 2011 and 2010, respectively, the liabilities above include approximately \$13 million and \$12.9 million of estimated incurred claims payable. The assets above also include approximately \$12.1 million and \$12.4 million of unpaid claims to be billed to approximately 455 member governments in the future, as of December 31, 2011 and 2010, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2011, the Government's share of these unpaid claims collectible in future years is approximately \$25,000.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<u>Contributions to PEP</u>	
2010	\$25,155
2011	27,124

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**11. CONTINGENT LIABILITIES**

The Village is a defendant in several lawsuits. Although the outcomes of the lawsuits are not presently determinable, management believes that the resolution of these matters will not materially adversely affect the Village's financial condition.

**12. SUBSEQUENT EVENTS**

On December 30, 2010, the Village issued \$2,700,000 of Water System Revenue Improvement Bonds, Series 2010, for the purpose of constructing improvements to its water system, including acquisition, construction and installation of a new water treatment plant. During March 2012 Village Council suspended all work related to the project pending resolution of real estate issues. The Village continues to pursue options concerning the project and the related bond issue.

# Bastin & Company, LLC

*Certified Public Accountants*

## **REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

To the Members of Village Council  
Village of Aberdeen, Brown County, Ohio

We have audited the financial statements of the Village of Aberdeen, Brown County, Ohio (the Village), as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated March 18, 2013, wherein we noted the Village prepared its financial statements using accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We noted the Village issued Water System Revenue Improvement Bonds, Series 2010, for the purpose of constructing improvements to its water system but has suspended all work related to the project and is involved in various lawsuits and is also not in compliance with various sections of the Bond Trust Indenture. For the year ended December 31, 2011, we noted the Village implemented Governmental Accounting Standard Board Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*". We conducted our audit in accordance with 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.

### **Internal Controls Over Financial Reporting**

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

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings and responses we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and timely corrected. We consider findings 2011-01, 2011-02 and 2011-07 described in the accompanying schedule of findings and responses to be material weaknesses.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Village's financial statements are free of 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 determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed

instances of noncompliance that are required to be reported under *Government Auditing Standards*, which are described in the accompanying schedule of findings and responses as items 2011-02 through 2011-06 and 2011-08.

The Village's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. We did not audit the Village's responses and, accordingly, express no opinion on them.

This report is intended solely for the information and use of management, Village Council and others within the Village and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in cursive script that reads "Bastin & Company, LLC". The signature is written in black ink on a light-colored background.

Cincinnati, Ohio  
March 18, 2013

**VILLAGE OF ABERDEEN  
BROWN COUNTY, OHIO  
SCHEDULE OF FINDINGS AND RESPONSES  
DECEMBER 31, 2011 AND 2010**

**FINDING NUMBER 2011-01 – AUDIT ADJUSTMENTS**

Material Weakness

Misstatements in the financial statements for the years under audit were identified that were not initially detected and corrected by the Village. Audit adjustments were necessary to correct the Village's financial statements and notes. The material adjustments made are as follows:

Bond Issue - Adjustments were required to properly record the issuance of the \$2,700,000 Water System Revenue Improvement Bonds, Series 2010, and related costs of issuance and interfund activity. The Village had recorded the transaction during 2011; however, the bond issue took place in December 2010.

Debt Service - Adjustments totaling \$106,574 for 2010 and \$108,859 for 2011 were necessary to properly record debt principal and interest payments to proper accounts.

The presentation of materially correct financial statements and the related footnotes is the responsibility of management. We recommend that the Village implement control procedures that enable management to identify, prevent, detect and correct potential misstatements in the financial statements.

**Village's Response**

The 2010 Water System Revenue Improvement Bonds were issued on December 30, 2010. The transaction was recorded after the books were closed and therefore was recorded as an adjustment to beginning balances for 2011. The Village will attempt to more closely monitor the recording of transactions in the future.

**FINDING NUMBER 2011-02 – PAYROLL**

Noncompliance and Material Weakness

Audit procedures identified the following instances where errors occurred in the processing of employee payroll transactions that resulted in payments to an employee contrary to the established policies of the Village.

*Employee Insurance*

On April 12, 2010, the Village adopted a resolution that reinstated the fiscal officer's pay to \$28,600 per year (\$550 per week). The resolution specifically stated that any additional payments for employee insurance were to be excluded and not reimbursed to the employee.

During 2010 and 2011, the Village's former fiscal officer received 39 weekly payroll checks (36 in 2010 and 3 in 2011), for the correct, gross weekly amount of \$550, however, an additional amount of \$3.85 per week was added to compensate for employee paid insurance. As a result, gross pay of \$150.15 (39 weeks at \$3.85) was paid contrary to the requirements established by the April 12, 2010 Resolution.



*Accrued Sick Time*

Section 3 of Ordinance No. 1997-09 dated July 7, 1997, states that employees are entitled to 4 hours of sick leave per month. In addition, Section 6 of the Ordinance states that upon termination of service with the Village, employees are not entitled to any reimbursement of any unused sick days, except for employees hired prior to January 1, 1983.

During 2011, the Village’s former fiscal officer, who began employment with the Village during 2003, received a check upon leaving employment with the Village for 96 hours (the equivalent of 24 months at four hours per month) for unused sick time. As a result, gross pay for accrued sick time of \$1,316.16 was paid contrary to the requirements established by Ordinance No. 1997-09.

The above conditions result in overpayments of gross pay to the former fiscal officer of \$1,466.31.

The above conditions demonstrate non-compliance with Village Resolutions and Ordinances and a lack of adequate control over the processing of the Village’s payroll system to ensure payments are made in accordance with the policies of the Village. We recommend that the Village implement control procedures to ensure that payroll is processed correctly.

**Village’s Response**

The Village will implement review procedures to ensure that payroll is properly computed.

**FINDING NUMBER 2011-03 – BUDGETARY COMPLIANCE**

**Noncompliance**

Ohio Revised Code Section 5705.41(B) states that, “no subdivision or taxing unit is to expend money unless it has been appropriated”. The following funds had expenditures that exceeded appropriations:

<u>Year/Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Variance</u>
<i>2010</i>			
General	\$434,798	\$476,960	(\$42,162)
Permissive	8,500	11,582	(3,082)
Water Operating	316,198	363,063	(46,865)
Sewer Operating	330,095	406,150	(76,055)

We recommend that the Village implement procedures to ensure that expenditures do not exceed amounts appropriated.

**Village’s Response**

The Village will attempt to more closely monitor budgetary variances in the future.

## FINDING NUMBER 2011-04 – BUDGETARY COMPLIANCE

### Noncompliance

Ohio Revised Code Section 5705.39 prohibits appropriations in excess of estimated resources. The following funds had appropriations that exceeded estimated resources:

<u>Year/Fund</u>	<u>Appropriations</u>	<u>Estimated Resources</u>	<u>Variance</u>
<i>2010</i>			
Law and Education	\$2,300	\$2,140	(\$160)
Federal Drug	627	351	(276)
Sewer Capital Projects	139	95	(44)
<i>2011</i>			
State Highway	22,465	22,415	(50)
Permissive	15,106	11,927	(3,179)
Other Special Revenue	16,755	4,009	(12,746)
Sewer Capital Projects	234	95	(139)

We recommend that the Village implement procedures to ensure that appropriations do not exceed estimated resources available.

### **Village's Response**

The Village will attempt to more closely monitor budgetary variances in the future.

## FINDING NUMBER 2011-05 – CERTIFICATION OF EXPENDITURES

### Noncompliance

Ohio Revised Code Section 5705.41(D), requires that no subdivision or taxing unit shall make any contract or give any order involving the expenditure of money unless there is attached thereto a certificate of the fiscal officer of the subdivision that the amount required to meet the obligation has been lawfully appropriated for such purpose and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances. This certificate need be signed only by the subdivision's fiscal officer. Every 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 sections 5705.41(D)(1) and 5705.41(D)(3), respectively, of the Ohio Revised Code.

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 can authorize the drawing of a warrant for the payment of the amount due. The Village has thirty days from the receipt of the "then and now" certificate to approve payment by ordinance or resolution. Amounts of less than \$3,000 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 - Fiscal officers 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 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, food items, and any other specific recurring and reasonably predictable operating expense. 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.

The availability of funds was not certified prior to the time of commitment in 10 percent of expenditures tested, nor did the Village use the aforementioned exceptions. We recommend that the fiscal officer certify that 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.

#### **Village’s Response**

The Village concurs and will attempt to ensure certifications are properly performed in the future.

### **FINDING NUMBER 2011-06 – MAYOR’S COURT**

#### **Noncompliance**

Contrary to Ohio Revised Code Section 733.40, distributions of Mayor’s Court funds to the Village’s general operating fund were not made within the specified time requirements 20 percent of the time.

We recommend that distributions be made on a timely basis.

#### **Village’s Response**

The Village has taken steps to correct this and distributions are now being made on the last day of the month.

### **FINDING NUMBER 2011-07 – INCOME TAXES**

#### **Material Weakness**

To determine the effectiveness of the Village’s monitoring of potential income tax accounts and collection procedures, addresses within the Village’s utility account database were selected and a crosscheck was performed to determine if an income tax account had been established in the Village’s income tax database. Testing disclosed that for 13 of the 40 selections an income tax account had not been established in the Village’s income tax database. The utility accounts selected were active utility accounts, indicating that potential tax accounts should have been investigated and potentially established.

We recommend that management review the procedures being followed within the income tax department to ensure that accounts are properly and timely established.

### **Village's Response**

The Village will review its current procedures and take appropriate steps to ensure accounts are established. The Village is also considering outsourced collections.

## **FINDING NUMBER 2011-08 – BOND COVENANTS**

### **Noncompliance**

Section 3.06 of the Trust Indenture for the \$2,700,000 Water System Revenue Improvement Bonds, Series 2010, maintains a rate covenant (coverage ratio) that requires the Village to prescribe and charge rates for the services of the water system and to restrict operation and maintenance expenses of the water system, so that the net operating revenues of the water system will equal or exceed 120% of the highest debt service requirement in any succeeding year. For the year ended December 31, 2011, the coverage ratio equaled 77.1%, which is not in compliance with the 120% required by the Trust Indenture.

In addition, Section 4.01 of the Trust Indenture states that the Village covenants that it will promptly construct the intended improvements within a reasonable time after the issuance of the Series 2010 Bonds. As of March 18, 2013, the Village has ceased all project related construction activities contrary to the requirements of the Trust Indenture.

We recommend that management take steps to comply with the requirements of the Bond Indenture.

### **Village's Response**

The Village is currently reviewing options to resolve all issues concerning the project and related bonds.

**VILLAGE OF ABERDEEN  
BROWN COUNTY, OHIO  
SCHEDULE OF PRIOR YEAR FINDINGS  
DECEMBER 31, 2011 AND 2010**

<b>Finding Number</b>	<b>Finding Summary</b>	<b>Fully Corrected?</b>	<b>Status Explanation</b>
2009-01	Internal controls over Financial Reporting-audit adjustments.	No	Restated as finding 2011-01.
2009-02	Internal controls of utility billings.	Yes	Controls were implemented during the current audit period.
2009-03	Appropriations in excess of estimated resources noncompliance citation ORC Section 5705.39.	No	Restated as finding 2011-04.
2009-04	Expenditures exceeded appropriations noncompliance citation ORC Section 5705.41B.	No	Restated as finding 2011-03.

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# Dave Yost • Auditor of State

**VILLAGE OF ABERDEEN**

**BROWN COUNTY**

**CLERK'S CERTIFICATION**

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

*Susan Babbitt*

**CLERK OF THE BUREAU**

**CERTIFIED  
NOVEMBER 12, 2013**