



Dave Yost • Auditor of State

VILLAGE OF ARLINGTON HEIGHTS
HAMILTON COUNTY

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Dave Yost • Auditor of State

INDEPENDENT AUDITOR'S REPORT

Village of Arlington Heights
Hamilton County
601 Elliott Avenue
Arlington Heights, Ohio 45215

To the Village Council:

Report on the Financial Statements

We have audited the accompanying financial statements of the cash balances, receipts and disbursements by fund type, and related notes of the Village of Arlington Heights, Hamilton County, Ohio (the Village), as of and for the years ended December 31, 2015 and 2014.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; 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.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Village's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Village's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

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

As described in Note 1 of the financial statements, the Village prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America (GAAP), to satisfy these requirements.

Although the effects on the financial statements of the variances between the regulatory accounting basis and GAAP are not reasonably determinable, we presume they are material.

Though the Village does not intend these statements to conform to GAAP, auditing standards generally accepted in the United States of America require us to include an adverse opinion on GAAP. However, the adverse opinion does not imply the amounts reported are materially misstated under the accounting basis Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit. Our opinion on this accounting basis is in the *Opinion on Regulatory Basis of Accounting* paragraph below.

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 the Governmental Activities* paragraph, the financial statements referred to above do not present fairly the financial position of the Village of Arlington Heights, Hamilton County, Ohio, as of December 31, 2015 and 2014, or the changes in financial position thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the Village of Arlington Heights, Hamilton County, Ohio as of December 31, 2015 and 2014 and its cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2016, 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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on 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.



Dave Yost
Auditor of State

Columbus, Ohio

March 29, 2016

**VILLAGE OF ARLINGTON HEIGHTS
HAMILTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2015**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$36,189	\$58,347	\$94,536
Municipal Income Tax	492,079		492,079
Intergovernmental	21,289	73,252	94,541
Charges for Services		74,714	74,714
Fines, Licenses and Permits	163,481	16,192	179,673
Miscellaneous	4,081	11,247	15,328
<i>Total Cash Receipts</i>	<u>717,119</u>	<u>233,752</u>	<u>950,871</u>
Cash Disbursements			
Current:			
Security of Persons and Property	313,196	81,500	394,696
Leisure Time Activities	2,106		2,106
Basic Utility Services		70,129	70,129
Transportation		63,312	63,312
General Government	371,703	9,569	381,272
Debt Service:			
Principal Retirement		23,297	23,297
Interest and Fiscal Charges		3,538	3,538
<i>Total Cash Disbursements</i>	<u>687,005</u>	<u>251,345</u>	<u>938,350</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>30,114</u>	<u>(17,593)</u>	<u>12,521</u>
<i>Fund Cash Balances, January 1</i>	<u>160,149</u>	<u>186,261</u>	<u>346,410</u>
Fund Cash Balances, December 31			
Restricted		168,668	168,668
Committed	18,319		18,319
Assigned	1,774		1,774
Unassigned (Deficit)	170,170		170,170
<i>Fund Cash Balances, December 31</i>	<u>\$190,263</u>	<u>\$168,668</u>	<u>\$358,931</u>

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

VILLAGE OF ARLINGTON HEIGHTS
HAMILTON COUNTY

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2015

	<u>Agency</u>
Operating Cash Receipts	
Other Non-Operating Cash Receipts	<u>\$201,751</u>
<i>Total Non-Operating Receipts</i>	<u>201,751</u>
Operating Cash Disbursements	
Other Non-Operating Cash Disbursements	<u>211,855</u>
<i>Total Operating Cash Disbursements</i>	<u>211,855</u>
<i>Excess of Non-Operating Receipts Over (Under) Non-Operating Disbursements</i>	(10,104)
<i>Fund Cash Balances, January 1</i>	<u>15,754</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$5,650</u></u>

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

**VILLAGE OF ARLINGTON HEIGHTS
HAMILTON COUNTY**

**COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2014**

	General	Special Revenue	Totals (Memorandum Only)
Cash Receipts			
Property and Other Local Taxes	\$40,057	\$60,894	\$100,951
Municipal Income Tax	480,586		480,586
Intergovernmental	18,806	72,778	91,584
Charges for Services	23	79,248	79,271
Fines, Licenses and Permits	229,864	20,689	250,553
Miscellaneous	9,496	3,676	13,172
<i>Total Cash Receipts</i>	<u>778,832</u>	<u>237,285</u>	<u>1,016,117</u>
Cash Disbursements			
Current:			
Security of Persons and Property	379,208	84,428	463,636
Leisure Time Activities	2,871		2,871
Basic Utility Services		68,652	68,652
Transportation		67,719	67,719
General Government	436,483	22,202	458,685
Debt Service:			
Principal Retirement		19,329	19,329
Interest and Fiscal Charges		2,751	2,751
<i>Total Cash Disbursements</i>	<u>818,562</u>	<u>265,081</u>	<u>1,083,643</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(39,730)</u>	<u>(27,796)</u>	<u>(67,526)</u>
Other Financing Receipts (Disbursements)			
Sale of Capital Assets	1,649		1,649
<i>Total Other Financing Receipts (Disbursements)</i>	<u>1,649</u>	<u>0</u>	<u>1,649</u>
<i>Net Change in Fund Cash Balances</i>	(38,081)	(27,796)	(65,877)
<i>Fund Cash Balances, January 1</i>	<u>198,230</u>	<u>214,057</u>	<u>412,287</u>
Fund Cash Balances, December 31			
Restricted		186,261	186,261
Committed	8,214		8,214
Assigned	4,544		4,544
Unassigned (Deficit)	147,391		147,391
<i>Fund Cash Balances, December 31</i>	<u>\$160,149</u>	<u>\$186,261</u>	<u>\$346,410</u>

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

VILLAGE OF ARLINGTON HEIGHTS
HAMILTON COUNTY

COMBINED STATEMENT OF RECEIPTS, DISBURSEMENTS
AND CHANGES IN FUND BALANCES (CASH BASIS)
FIDUCIARY FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2014

	<u>Agency</u>
Operating Cash Receipts	
Other Non-Operating Cash Receipts	<u>\$224,897</u>
<i>Total Non-Operating Receipts</i>	<u>224,897</u>
Operating Cash Disbursements	
Other Non-Operating Cash Disbursements	<u>232,698</u>
<i>Total Operating Cash Disbursements</i>	<u>232,698</u>
<i>Excess of Non-Operating Receipts Over (Under) Non-Operating Disbursements</i>	(7,801)
<i>Fund Cash Balances, January 1</i>	<u>23,555</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$15,754</u></u>

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

**VILLAGE OF ARLINGTON HEIGHTS
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014**

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 Arlington Heights, Hamilton County, (the Village) as a body corporate and politic. A publicly-elected six-member Council directs the Village. The Village provides administration of water and sewer utilities, park operations, maintenance of Village roads and bridges and police services.

The Village contracts with The City of Reading to receive fire protection and emergency medical services.

The Village participates in the Ohio Municipal Joint Self Insurance Pool public entity risk pool. Note 9 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 permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D). This basis is similar to the cash receipts and disbursements accounting basis. The Village recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

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

C. Deposits

The Village's funds are maintained in checking accounts. The Village does not have any investments

D. Fund Accounting

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

1. General Fund

The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

**VILLAGE OF ARLINGTON HEIGHTS
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

2. 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 receives gasoline tax and motor vehicle tax money for constructing, maintaining, and repairing Village streets.

Waste Fund – This fund receives revenue from waste/trash collection for payment of contracted service and maintenance of equipment and certain Service Department salary expenses.

3. Fiduciary Funds

Fiduciary funds include private purpose trust and agency funds. Trust funds account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs.

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 significant Agency Fund.

Mayor's Court Fund - This fund is used to account for the collection and distribution of Mayor's Court fines, fees and bonds.

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. Unencumbered appropriations lapse at year end.

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 approve estimated resources.

VILLAGE OF ARLINGTON HEIGHTS
HAMILTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 reappropriated.

A summary of 2015 and 2014 budgetary activity appears in Note 3.

F. 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:

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.

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.

**VILLAGE OF ARLINGTON HEIGHTS
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

The Village maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments, including Agency Funds, at December 31 was as follows:

	2015	2014
Demand deposits	364,581	362,164
Total deposits	364,581	362,164

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by securities specifically pledged by the financial institution to the Village.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2015 and 2014 follows:

2015 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$713,077	\$717,119	\$4,042
Special Revenue	232,819	233,752	933
Total	\$945,896	\$950,871	\$4,975

**VILLAGE OF ARLINGTON HEIGHTS
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

3. BUDGETARY ACTIVITY (Continued)

2015 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$865,011	\$687,005	\$178,006
Special Revenue	284,386	251,345	33,041
Total	\$1,149,397	\$938,350	\$211,047

2014 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$780,600	\$778,832	(\$1,768)
Special Revenue	234,610	237,285	2,675
Total	\$1,015,210	\$1,016,117	\$907

2014 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$967,057	\$818,562	\$148,495
Special Revenue	283,498	265,081	18,417
Total	\$1,250,555	\$1,083,643	\$166,912

4. 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.

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

5. LOCAL INCOME TAX

The Village levies a municipal income tax of 2.1 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.

**VILLAGE OF ARLINGTON HEIGHTS
HAMILTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)**

6. DEBT

Debt outstanding at December 31, 2015 was as follows:

	Principal	Interest Rate
2014 Police Car Loan #1	\$32,060	5.32%
2014 Police Car Loan #2	26,057	4.44%
Total	\$58,117	

The 2014 Police Car Loans were obtained for the purpose of purchasing two police cruisers. The commercial loans' principal and interest will be repaid over five and four years, respectively. The Village's taxing authority collateralized the loans.

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

Year ending December 31:	Police car loans
2016	\$18,908
2017	18,908
2018	18,909
2019	4,755
Total	\$61,480

7. RETIREMENT SYSTEMS

The Village's 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 2015 and 2014, OP&F participants contributed 11.5% and 12.25% of their wages respectively. For 2015 and 2014, the Village contributed to OP&F an amount equal to 19.5% of full-time police members' wages. For 2015 and 2014, OPERS members contributed 13% of their gross salaries and the Village contributed an amount equaling 18.10% of participants' gross salaries. The Village has paid all contributions required through December 31, 2015.

8. RISK POOL MEMBERSHIP

The Village belongs to the Ohio Municipal Joint Self-Insurance Pool, (the "Pool"), an unincorporated non-profit association available to municipal corporations and their instrumentalities. The Pool is a separate legal entity per Section 2744 of the Ohio Revised Code. The Pool provides property and casualty insurance for its members. The Pool pays judgments, settlements and other expenses resulting for covered claims that exceed the members' deductibles.

The Pool changed its fiscal year end to March 31, effective in 2011, in order to align its financial reporting and budgeting with the renewal terms of its excess reinsurance policies.

VILLAGE OF ARLINGTON HEIGHTS
HAMILTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2015 AND 2014
(Continued)

8. RISK POOL MEMBERSHIP (Continued)

The Pool cedes portions of its gross contribution written to a reinsurer under excess reinsurance agreements in order to limit its losses. Treaty basis excess-of-loss contracts in force protect the Pool against losses over the retention level; at March 31, 2015, retention levels are \$50,000 and \$100,000 for property and casualty coverages, respectively.

The Pool remains liable to the extent the reinsuring companies are unable to meet their contractual obligations under reinsurance agreements.

The Pool's financial statements (audited by other auditors) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained surplus at March 31, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Assets	\$ 1,339,719	\$ 1,030,198
Liabilities	<u>(1,051,927)</u>	<u>(882,203)</u>
Accumulated Surplus	\$ 87,792	\$ 147,995

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Dave Yost • Auditor of State

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

Village of Arlington Heights
Hamilton County
601 Elliott Avenue
Arlington Heights, Ohio 45215

To the Village Council:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Village of Arlington Heights, Hamilton County, (the Village) as of and for the years ended December 31, 2015 and 2014 the related notes to the financial statements and have issued our report thereon dated March 29, 2016 wherein we noted the Village followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Village's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Village's internal control. Accordingly, we have not opined on it.

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 combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Village's financial statements. 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 internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Village's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Village's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping "D" and "Y".

Dave Yost
Auditor of State

Columbus, Ohio

March 29, 2016



Dave Yost • Auditor of State

VILLAGE OF ARLINGTON HEIGHTS

HAMILTON 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
APRIL 14, 2016**