



**VILLAGE OF ARLINGTON  
HANCOCK COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2024-2023**



**VILLAGE OF ARLINGTON  
HANCOCK COUNTY**

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# OHIO AUDITOR OF STATE KEITH FABER



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## INDEPENDENT AUDITOR'S REPORT

Village of Arlington  
Hancock County  
P.O. Box 699  
Arlington, Ohio 45814

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 Arlington, Hancock 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, 2024 and 2023, 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, 2024 and 2023, and the related notes to the financial statements, in accordance with the financial reporting provisions which Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(C) permit, described in Note 2.

#### ***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* section of our report, the accompanying financial statements do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Village, as of December 31, 2024 and 2023, 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 *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 November 13, 2025, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Village's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Village's internal control over financial reporting and compliance.

KEITH FABER  
Ohio Auditor of State



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

November 13, 2025

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

	General	Special Revenue	Capital Projects	Combined Total
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$74,159	\$64,327	\$90,120	\$228,606
Municipal Income Tax	263,591			263,591
Intergovernmental	49,123	144,689	2,129	195,941
Special Assessments		102,323		102,323
Charges for Services		56,506		56,506
Licenses, Permits and Fees	5,293			5,293
Earnings on Investments	47,355	5,261		52,616
Miscellaneous	12,814	5,180	33,120	51,114
<i>Total Cash Receipts</i>	<u>452,335</u>	<u>378,286</u>	<u>125,369</u>	<u>955,990</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property		113,819	433	114,252
Leisure Time Activities		4,906	10,000	14,906
Community Environment		48,940		48,940
Transportation	57,025	104,849		161,874
General Government	187,888	18	2,117	190,023
Capital Outlay		133,204	1,084	134,288
Debt Service:				
Principal Retirement	1,132	19,672		20,804
<i>Total Cash Disbursements</i>	<u>246,045</u>	<u>425,408</u>	<u>13,634</u>	<u>685,087</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>206,290</u>	<u>(47,122)</u>	<u>111,735</u>	<u>270,903</u>
<b>Other Financing Receipts (Disbursements)</b>				
Sale of Capital Assets	2,700		91,000	93,700
Transfers In		10,000	50,000	60,000
Transfers Out	(85,000)			(85,000)
Advances In	56,500	22,500		79,000
Advances Out	(104,500)	(22,500)		(127,000)
Other Financing Sources	458	53		511
Other Financing Uses	(9,395)			(9,395)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(139,237)</u>	<u>10,053</u>	<u>141,000</u>	<u>11,816</u>
<i>Net Change in Fund Cash Balances</i>	<u>67,053</u>	<u>(37,069)</u>	<u>252,735</u>	<u>282,719</u>
<i>Fund Cash Balances, January 1</i>	<u>617,045</u>	<u>491,149</u>	<u>142,271</u>	<u>1,250,465</u>
<i>Fund Cash Balances, December 31</i>	<u>\$684,098</u>	<u>\$454,080</u>	<u>\$395,006</u>	<u>\$1,533,184</u>

See accompanying notes to the basic financial statements

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

	<u>Enterprise</u>
<b>Operating Cash Receipts</b>	
Charges for Services	\$581,322
Miscellaneous	<u>11,270</u>
<i>Total Operating Cash Receipts</i>	<u>592,592</u>
<b>Operating Cash Disbursements</b>	
Personal Services	130,762
Employee Fringe Benefits	24,096
Contractual Services	297,565
Supplies and Materials	<u>209,650</u>
<i>Total Operating Cash Disbursements</i>	<u>662,073</u>
<i>Operating Loss</i>	<u>(69,481)</u>
<b>Non-Operating Receipts (Disbursements)</b>	
Property and Other Local Taxes	51,512
Intergovernmental Receipts	11,092
Miscellaneous Receipts	1,925
Capital Outlay	(11,043)
Principal Retirement	(117,438)
Interest and Other Fiscal Charges	(7,810)
Other Financing Sources	934
Other Financing Uses	<u>(675)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(71,503)</u>
<i>Loss before Transfers and Advances</i>	(140,984)
Transfers In	25,000
Advances In	82,000
Advances Out	<u>(34,000)</u>
<i>Net Change in Fund Cash Balances</i>	(67,984)
<i>Fund Cash Balances, January 1</i>	<u>343,745</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$275,761</u></u>

*See accompanying notes to the basic financial statements*

**Village of Arlington, Ohio**  
**Hancock County**  
*Combined Statement of Additions, Deductions*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Fiduciary Fund Types*  
*For the Year Ended December 31, 2024*

	<u>Custodial</u>
<b>Deductions</b>	
Other Distributions	<u>\$4,000</u>
<i>Total Deductions</i>	<u>4,000</u>
<i>Net Change in Fund Balances</i>	(4,000)
<i>Fund Cash Balances, January 1</i>	<u>\$4,000</u>
<i>Fund Cash Balances, December 31</i>	<u><u>          </u></u>
<i>See accompanying notes to the basic financial statements</i>	

**Village of Arlington, Ohio**  
*Hancock County*  
**Notes to the Financial Statements**  
*For the Year Ended December 31, 2024*

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**Note 1 – Reporting Entity**

The Village of Arlington, Hancock County, Ohio (the Village) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly elected six-member Council directs the Village. The Village provides water and sewer utilities and park operations. The Village has a volunteer fire department to provide fire safety services.

***Public Entity Risk Pool***

The Village participates in a public entity risk pool. Note 7 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.

**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*** The street construction maintenance and repair 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.

***Street Repair Fund*** The street repair fund accounts for and reports proceeds from a levy restricted for construction, maintenance, and repair of streets within the Village.

***Fire Fund*** The fire fund accounts for and reports proceeds from a fire levy and contract revenue, for fire protection services for three townships, to provide fire protection services.

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

***Park Improvement Fund*** The park improvement fund accounts for and reports proceeds of donations and grants restricted for park improvements.

**Village of Arlington, Ohio**  
*Hancock County*  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

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**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 a grant received by the Beautification Committee, which is a legally separate organization that the Village serves as its fiscal agent.

***Basis of Accounting***

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

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

***Budgetary Process***

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

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

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

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

A summary of 2024 budgetary activity appears in Note 3.

***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.

**Village of Arlington, Ohio**  
*Hancock County*  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

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**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**

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

**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.

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

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

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

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

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

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

**Note 3 – Budgetary Activity**

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

**Village of Arlington, Ohio**  
*Hancock County*  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2024**

2024 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$377,725	\$511,993	\$134,268
Special Revenue	477,669	410,839	(66,830)
Capital Projects	251,296	266,369	15,073
Enterprise	735,382	765,055	29,673
Total	<u>\$1,842,072</u>	<u>\$1,954,256</u>	<u>\$112,184</u>

2024 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$996,770	\$449,540	\$547,230
Special Revenue	968,817	453,528	515,289
Capital Projects	393,567	86,107	307,460
Enterprise	1,077,128	833,939	243,189
Total	<u>\$3,436,282</u>	<u>\$1,823,114</u>	<u>\$1,613,168</u>

**Note 4 – Deposits**

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

	2024
<b>Cash Management Pool:</b>	
Demand deposits	\$1,316,945
Certificates of deposit	492,000
Total Deposits	<u>\$1,808,945</u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2024, the Village had remitted all employee payroll withholdings.

**Deposits**

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

**Village of Arlington, Ohio**  
*Hancock County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

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**Note 5 – Taxes**

***Property Taxes***

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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.

**Note 6 – Interfund Balances**

Outstanding advances at December 31, 2024, consisted of \$50,000 advanced to the Water Operating Fund to provide working capital for operations or projects.

**Note 7 – Risk Management**

***Risk Pool Membership***

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of actuarially-measured liabilities and assets available to pay those liabilities as of December 31:



**Village of Arlington, Ohio**  
*Hancock County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

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2024

Cash and investments	\$ 48,150,572
Actuarial liabilities	\$ 22,652,556

**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, 2024.

***Social Security***

Other Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2024.

**Note 9 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2024, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2024, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

**Note 10 – Debt**

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

**Village of Arlington, Ohio**  
*Hancock County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

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	<u>Principal</u>	<u>Interest Rate</u>
OWDA Loan #8844 - North Main Street Waterline Replacement	\$70,393	1.73%
OWDA Loan #2606 - Water Plant Construction	39,203	2.00%
OWDA Loan #6764 - Main Cross/Sunset Waterline Replacement	128,399	2.59%
OWDA Loan #7989 - Water Meter Replacement	67,143	2.70%
OPWC Loan #CT48T- US 68 Reconstruction	115,227	0.00%
OPWC Loan #CT20W- US 68 Reconstruction	104,467	0.00%
OPWC Loan #CT486V- US 68 Reconstruction	349,007	0.00%
Total	<u><u>\$873,839</u></u>	

The OWDA North Main Street Waterline loan relates to a 2020 waterline replacement project. The OWDA loaned the Village up to \$96,876 for this project. The loan will be repaid in semi-annual installments, including interest, over 15 years.

The OWDA Water Plant Construction loan relates to water plant construction. The Ohio Water Development Authority approved up to \$1,616,550 in loans to the Village for this project. The loans will be repaid in semi-annual installments, including interest, over 25 years. The loan is collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The OWDA Main Cross / Sunset Waterline loan relates to a waterline replacement project. The OWDA loaned the Village up to \$218,163 for this project. The loan will be repaid from the enterprise funds semi-annually, including interest, over 20 years.

In 2018, the Village obtained approval of a loan for replacement of water meters. With total loan authorization of \$193,876. The project was completed in 2019. The loan will be repaid from the enterprise funds semi-annually, including interest, over 10 years.

In 2018, the Village entered into an agreement with the Ohio Department of Transportation and Ohio Public Works Commission for the reconstruction of State Route 68 in the Village. The Project was financed with ODOT Funds and OPWC Grants and Loans. The Village was approved up to \$1,138,273 in three zero percent loans from OPWC for the different phases of the project.

***Amortization***

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

**Village of Arlington, Ohio**  
*Hancock County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

Year Ending December 31:	OWDA Loan #8844	OWDA Loan #2606	OWDA Loan #6764	OWDA Loan #7989
2025	\$7,360	\$39,595	\$14,045	\$20,233
2026	7,360		14,045	20,233
2027	7,360		14,045	20,233
2028	7,360		14,045	10,117
2029	7,360		14,045	
2030-2034	36,802		70,226	
2035-2039	3,680		7,023	
2040-2044				
2045-2049				
2050-2053				
Total	<u>\$77,282</u>	<u>\$39,595</u>	<u>\$147,474</u>	<u>\$70,816</u>

Year Ending December 31:	OPWC Loan #CT48T	OPWC Loan #CT20W	OPWC Loan #CT46V
2025	\$4,609	\$3,731	\$12,464
2026	4,609	3,731	12,465
2027	4,609	3,731	12,464
2028	4,609	3,731	12,465
2029	4,609	3,731	12,464
2030-2034	23,046	18,655	62,323
2035-2039	23,045	18,654	62,323
2040-2044	23,046	18,655	62,322
2045-2049	23,045	18,655	62,323
2050-2053		11,193	37,394
Total	<u>\$115,227</u>	<u>\$104,467</u>	<u>\$349,007</u>

**Note 11 – Fund Balances**

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	Capital Projects	Total
Outstanding Encumbrances	<u>\$4,600</u>	<u>\$5,620</u>	<u>\$72,473</u>	<u>\$82,693</u>

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

**Village of Arlington, Ohio**  
*Hancock County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2024*

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**Note 12 – Fire Truck Purchase**

In May 2022, the Council approved the purchase of a fire truck from the Sutphen Corporation at a cost of \$589,424 with anticipated delivery sometime in late 2024. Delivery has been revised to sometime in late March or April of 2025. To assist with the purchase the residents of the Village approved a 2.5 mill five year property tax levy. Collections of the levy began in 2023 and will bring in approximately \$75,000 annually. Any amount of the purchase not covered by the levy will be financed from the Fire Operating Levy.

**Note 13 – Miscellaneous Revenues**

During 2024, the Village received significant Capital Project Fund miscellaneous revenues consisting of contributions and donations.

**Note 14 – Subsequent Events**

In April 2025, the Village issued \$300,000 in manuscript debt from the General Fund to the Fire Truck Capital Project Fund for the purchase of a 2025 fire truck. The debt carries an interest rate of 4%.

On September 25, 2025, the Village was approved for a loan from the Ohio Water Development Authority (OWDA) in an amount up to \$702,450 to construct a 150,000 gallon water tower to replace a water tower that has exceeded its useful life. The loan carries an interest rate of 4.270% for a period of 20 years starting on January 01, 2027. The Village has pledged all revenues from all water facilities of Arlington for repayment.

**Village of Arlington, Ohio**  
**Hancock County**  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Governmental Fund Types*  
*For the Year Ended December 31, 2023*

	General	Special Revenue	Capital Projects	Combined Total
<b>Cash Receipts</b>				
Property and Other Local Taxes	\$72,684	\$63,192	\$88,524	\$224,400
Municipal Income Tax	273,337			273,337
Intergovernmental	50,030	184,196	386,722	620,948
Special Assessments		100,949		100,949
Charges for Services		54,976		54,976
Licenses, Permits and Fees	1,875			1,875
Earnings on Investments	15,733	1,748		17,481
Miscellaneous	9,973	19,097		29,070
<i>Total Cash Receipts</i>	<u>423,632</u>	<u>424,158</u>	<u>475,246</u>	<u>1,323,036</u>
<b>Cash Disbursements</b>				
Current:				
Security of Persons and Property		99,141	416	99,557
Leisure Time Activities			2,640	2,640
Community Environment		44,816		44,816
Transportation	53,564	102,252		155,816
General Government	183,274	42		183,316
Capital Outlay		151,531	497,970	649,501
Debt Service:				
Principal Retirement		20,806		20,806
<i>Total Cash Disbursements</i>	<u>236,838</u>	<u>418,588</u>	<u>501,026</u>	<u>1,156,452</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>186,794</u>	<u>5,570</u>	<u>(25,780)</u>	<u>166,584</u>
<b>Other Financing Receipts (Disbursements)</b>				
Loans Issued			111,929	111,929
Sale of Capital Assets			365	365
Transfers In		20,000		20,000
Transfers Out	(45,000)			(45,000)
Advances In	10,000			10,000
Advances Out	(2,000)			(2,000)
Other Financing Sources	313	10,053		10,366
Other Financing Uses	(11,845)			(11,845)
<i>Total Other Financing Receipts (Disbursements)</i>	<u>(48,532)</u>	<u>30,053</u>	<u>112,294</u>	<u>93,815</u>
<i>Net Change in Fund Cash Balances</i>	<u>138,262</u>	<u>35,623</u>	<u>86,514</u>	<u>260,399</u>
<i>Fund Cash Balances, January 1</i>	<u>478,783</u>	<u>455,526</u>	<u>55,757</u>	<u>990,066</u>
<i>Fund Cash Balances, December 31</i>	<u>\$617,045</u>	<u>\$491,149</u>	<u>\$142,271</u>	<u>\$1,250,465</u>

See accompanying notes to the basic financial statements

**Village of Arlington, Ohio**  
**Hancock County**  
*Combined Statement of Receipts, Disbursements*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Proprietary Fund Types*  
*For the Year Ended December 31, 2023*

	<u>Enterprise</u>
<b>Operating Cash Receipts</b>	
Charges for Services	\$528,442
Miscellaneous	<u>4,850</u>
<i>Total Operating Cash Receipts</i>	<u>533,292</u>
<b>Operating Cash Disbursements</b>	
Personal Services	127,252
Employee Fringe Benefits	24,126
Contractual Services	145,554
Supplies and Materials	<u>180,747</u>
<i>Total Operating Cash Disbursements</i>	<u>477,679</u>
<i>Operating Income</i>	<u>55,613</u>
<b>Non-Operating Receipts (Disbursements)</b>	
Property and Other Local Taxes	50,599
Intergovernmental Receipts	11,347
Miscellaneous Receipts	560
Capital Outlay	(6,676)
Principal Retirement	(113,925)
Interest and Other Fiscal Charges	(11,354)
Other Financing Sources	619
Other Financing Uses	<u>(803)</u>
<i>Total Non-Operating Receipts (Disbursements)</i>	<u>(69,633)</u>
<i>Loss before Transfers and Advances</i>	(14,020)
Transfers In	25,000
Advances In	2,000
Advances Out	<u>(10,000)</u>
<i>Net Change in Fund Cash Balances</i>	2,980
<i>Fund Cash Balances, January 1</i>	<u>340,765</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$343,745</u></u>

*See accompanying notes to the basic financial statements*

**Village of Arlington, Ohio**  
**Hancock County**  
*Combined Statement of Additions, Deductions*  
*and Changes in Fund Balances (Regulatory Cash Basis)*  
*All Fiduciary Fund Types*  
*For the Year Ended December 31, 2023*

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	<u>Custodial</u>
<i>Fund Cash Balances, January 1</i>	<u>\$4,000</u>
<i>Fund Cash Balances, December 31</i>	<u><u>\$4,000</u></u>
<i>See accompanying notes to the basic financial statements</i>	

**Village of Arlington, Ohio**  
*Hancock County*  
**Notes to the Financial Statements**  
*For the Year Ended December 31, 2023*

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**Note 1 – Reporting Entity**

The Village of Arlington, Hancock County, Ohio (the Village) is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. A publicly elected six-member Council directs the Village. The Village provides water and sewer utilities and park operations. The Village has a volunteer fire department to provide fire safety services.

***Public Entity Risk Pool***

The Village participates in a public entity risk pool. Note 6 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.

**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*** The street construction maintenance and repair 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.

***Street Repair Fund*** The street repair fund accounts for and reports proceeds from a levy restricted for construction, maintenance, and repair of streets within the Village.

***Fire Fund*** The fire fund accounts for and reports proceeds from a fire levy and contract revenue, for fire protection services for three townships, to provide fire protection services.

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

***US Route 68 Reconstruction Fund*** The US route 68 reconstruction fund accounts for and reports an Ohio Public Works Commission (OPWC) project replacing US Route 68 through the Village.



**Village of Arlington, Ohio**  
*Hancock County*  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2023**

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**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 a grant received by the Beautification Committee, which is a legally separate organization that the Village serves as its fiscal agent.

***Basis of Accounting***

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

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

***Budgetary Process***

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

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

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

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

A summary of 2023 budgetary activity appears in Note 3.

***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.

**Village of Arlington, Ohio**  
*Hancock County*  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2023**

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**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**

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

**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.

***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 10.

**Note 3 – Budgetary Activity**

Budgetary activity for the year ending December 31, 2023 follows:

**Village of Arlington, Ohio**  
*Hancock County*  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2023**

2023 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$345,443	\$433,945	\$88,502
Special Revenue	506,956	454,211	(52,745)
Capital Projects	1,801,098	587,540	(1,213,558)
Enterprise	659,712	623,417	(36,295)
Total	<u>\$3,313,209</u>	<u>\$2,099,113</u>	<u>(\$1,214,096)</u>

2023 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$834,226	\$300,003	\$534,223
Special Revenue	962,482	421,797	540,685
Capital Projects	1,856,855	501,026	1,355,829
Enterprise	990,477	654,371	336,106
Total	<u>\$4,644,040</u>	<u>\$1,877,197</u>	<u>\$2,766,843</u>

**Note 4 – Deposits**

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

	<u>2023</u>
<b>Cash Management Pool:</b>	
Demand deposits	\$1,018,210
Certificates of deposit	580,000
Total Deposits	<u>\$1,598,210</u>

The Village does not use a separate payroll clearing account. The expenditures included in the accompanying financial statement reflect net payroll plus all remitted payroll withholdings. At December 31, 2023, the Village had remitted all employee payroll withholdings.

**Deposits**

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

**Village of Arlington, Ohio**  
*Hancock County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 5 – Taxes**

***Property Taxes***

Real property taxes become a lien on January 1 preceding the October 1 date for which the Council adopted tax rates. The State Board of Tax Equalization adjusts these rates for inflation. Property taxes are also reduced for applicable non-business, owner occupancy, and homestead exemption credits and/or homestead and rollback deductions. The financial statements include these credits and/or deduction amounts the State pays as Intergovernmental Receipts. Payments are due to the County by December 31. If the property owner elects to pay semiannually, the first half is due December 31. The second half payment is due the following June 20.

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.

**Note 6 – Risk Management**

***Risk Pool Membership***

The Village is a member of the Public Entities Pool of Ohio (The Pool). The Pool assumes the risk of loss up to the limits of the Village's policy. The Pool covers the following risks:

- General liability and casualty
- Public official's liability
- Cyber
- Law enforcement liability
- Automobile liability
- Vehicles
- Property
- Equipment breakdown

The Pool reported the following summary of assets and actuarially-measured liabilities available to pay those liabilities as of December 31:

	<u>2023</u>
Cash and investments	\$ 43,996,442
Actuarial liabilities	\$ 19,743,401

**Village of Arlington, Ohio**  
*Hancock County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

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**Note 7 – Defined Benefit Pension Plans**

***Ohio Public Employees Retirement System***

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

The Ohio Revised Code also prescribes contribution rates. OPERS members contributed 10 percent of their gross salaries, and the Village contributed an amount equaling 14 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2023.

***Social Security***

Other Village employees contributed to Social Security. This plan provides retirement benefits, including survivor and disability benefits to participants.

Employees contributed 6.2 percent of their gross salaries. The Village contributed an amount equal to 6.2 percent of participants' gross salaries. The Village has paid all contributions required through December 31, 2023.

**Note 8 – Postemployment Benefits**

OPERS offers a cost-sharing, multiple-employer defined benefit postemployment plan. OPERS offers a health reimbursement arrangement (HRA) allowance to benefit recipients meeting certain age and service credit requirements. The HRA is an account funded by OPERS that provides tax-free reimbursement for qualified medical expenses such as monthly post-tax insurance premiums, deductibles, co-insurance, and co-pays incurred by eligible benefit recipients and their dependents. For calendar year 2023, the portion of OPERS employer contributions allocated to health care was 0 percent for members in the traditional pension plan and 2 percent for members in the combined plan. For 2023, the portion of employer contributions OPERS allocated to health care for members in the member-directed plan was 4.0 percent; however, a portion of the health care rate was funded with reserves.

**Note 9 – Debt**

Debt outstanding at December 31, 2023, was as follows:

	<u>Principal</u>	<u>Interest Rate</u>
OWDA Loan #8844 - North Main Street Waterline Replacement	\$76,457	1.73%
OWDA Loan #2606 - Water Plant Construction	116,448	2.00%
OWDA Loan #6764 - Main Cross/Sunset Waterline Replacement	138,914	2.59%
OWDA Loan #7989 - Water Meter Replacement	85,197	2.70%
OPWC Loan #CM19G - West Alley Waterline	4,419	0.00%
OPWC Loan #CT48T- US 68 Reconstruction	119,837	0.00%
OPWC Loan #CT20W- US 68 Reconstruction	108,198	0.00%
OPWC Loan #CT486V- US 68 Reconstruction	361,472	0.00%
Total	<u><u>\$1,010,942</u></u>	

The OWDA North Main Street Waterline loan relates to a 2020 waterline replacement project. The OWDA loaned the Village up to \$96,876 for this project. The loan will be repaid in semi-annual installments, including interest, over 15 years.

**Village of Arlington, Ohio**  
*Hancock County*  
*Notes to the Financial Statements*  
*For the Year Ended December 31, 2023*

The OWDA Water Plant Construction loan relates to water plant construction. The Ohio Water Development Authority approved up to \$1,616,550 in loans to the Village for this project. The loans will be repaid in semi-annual installments, including interest, over 25 years. The loan is collateralized by water receipts. The Village has agreed to set utility rates sufficient to cover OWDA debt service requirements.

The OWDA Main Cross / Sunset Waterline loan relates to a waterline replacement project. The OWDA loaned the Village up to \$218,163 for this project. The loan will be repaid from the enterprise funds semi-annually, including interest, over 20 years.

In 2018, the Village obtained approval of a loan for replacement of water meters. With total loan authorization of \$193,876. The project was completed in 2019. The loan will be repaid from the enterprise funds semi-annually, including interest, over 10 years.

The OPWC West Alley Waterline loan relates to a waterline replacement project. The Ohio Public Works Commission loaned the Village \$88,378 for this project. The loan will be repaid in semi-annual installments with no interest over 20 years.

In 2018, the Village entered into an agreement with the Ohio Department of Transportation and Ohio Public Works Commission for the reconstruction of State Route 68 in the Village. The Project was financed with ODOT Funds and OPWC Grants and Loans. The Village was approved for up to \$1,138,273 in three zero percent loans from OPWC for the different phases of the project.

**Amortization**

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

Year Ending December 31:	OWDA Loan #8844	OWDA Loan #2606	OWDA Loan #6764	OWDA Loan #7989
2024	\$7,360	\$79,190	\$14,045	\$20,233
2025	7,360	39,595	14,045	20,233
2026	7,360		14,045	20,233
2027	7,360		14,045	20,233
2028	7,360		14,045	10,117
2029-2033	36,802		70,226	
2034-2038	11,041		21,068	
2039-2043				
2044-2048				
2049-2053				
Total	<u>\$84,643</u>	<u>\$118,785</u>	<u>\$161,519</u>	<u>\$91,049</u>

**Village of Arlington, Ohio**  
*Hancock County*  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2023**

Year Ending December 31:	OPWC Loan #CM19G	OPWC Loan #CT48T	OPWC Loan #CT20W	OPWC Loan #CT46V
2024	\$4,419	\$4,610	\$3,731	\$12,465
2025		4,609	3,731	12,464
2026		4,609	3,731	12,465
2027		4,609	3,731	12,464
2028		4,609	3,731	12,465
2029-2033		23,045	18,655	62,322
2034-2038		23,046	18,654	62,323
2039-2043		23,045	18,655	62,323
2044-2048		23,046	18,655	62,323
2049-2053		4,609	14,924	49,858
Total	<u>\$4,419</u>	<u>\$119,837</u>	<u>\$108,198</u>	<u>\$361,472</u>

**Note 10 – Fund Balances**

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	Total
Outstanding Encumbrances	<u>\$4,320</u>	<u>\$3,209</u>	<u>\$7,529</u>

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

**Note 11 – Fire Truck Purchase**

In May 2022, the Council approved the purchase of a fire truck from the Sutphen Corporation at a cost of \$589,424 with anticipated delivery sometime in late 2024. Delivery has been revised to sometime in late March or April of 2025. To assist with the purchase the residents of the Village approved a 2.5 mill five year property tax levy. Collections of the levy began in 2023 and will generate approximately \$75,000 annually. Any amount of the purchase not covered by the levy will be financed from the Fire Operating Levy.

**Note 12 – Subsequent Events**

In April 2025, the Village issued \$300,000 in manuscript debt from the General Fund to the Fire Truck Capital Project Fund for the purchase of a 2025 fire truck. The debt carries an interest rate of 4%.

On September 25, 2025, the Village was approved for a loan from the Ohio Water Development Authority (OWDA) in an amount up to \$702,450 to construct a 150,000 gallon water tower to replace a water tower that has exceeded its useful life. The loan carries an interest rate of 4.270% for a period of 20 years starting on January 01, 2027. The Village has pledged all revenues from all water facilities of Arlington for repayment.

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65 East State Street  
Columbus, Ohio 43215  
ContactUs@ohioauditor.gov  
800-282-0370

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

Village of Arlington  
Hancock County  
P.O. Box 699  
Arlington, Ohio 45814

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, 2024 and 2023 and the related notes to the financial statements of the Village of Arlington, Hancock County, Ohio (the Village) and have issued our report thereon dated November 13, 2025, wherein we noted the Village followed financial reporting provisions Ohio Rev. Code § 117.38 and Ohio Admin. Code 117-2-03(C) permit.

***Report on Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statements, we considered the Village's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Village's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

***Purpose of This Report***

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

KEITH FABER  
Ohio Auditor of State



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

November 13, 2025

# OHIO AUDITOR OF STATE KEITH FABER



**VILLAGE OF ARLINGTON**

**HANCOCK COUNTY**

## **AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 12/4/2025**

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

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