Declaration of Fiscal Caution

Pursuant to Section 118.025(A), Revised Code, the Auditor of State developed guidelines for identifying fiscal practices and budgetary conditions that, if uncorrected, could result in a future declaration of a fiscal watch or fiscal emergency of a municipal corporation, county, or township. If the Auditor of State determines that a municipal corporation, county, or township is engaging in any of those practices or that any of those conditions exist, the Auditor of State may declare a municipal corporation, county, or township to be in a state of Fiscal Caution.

The Auditor of State’s guidelines for a declaration of fiscal caution include (1) unauditable financial records; (2) significant deficiencies, material weaknesses, direct and material noncompliance as disclosed in the financial audit; (3) deficit fund balances; (4) a carryover fund balance of less than one month’s average expenditures for two consecutive years, and (5) a failure to reconcile accounting journals and ledgers with the treasury.

Based on a review of financial data on March 15, 2016 the Village of Newtonsville (Clermont County) meets the following fiscal caution conditions:

1. Significant deficiencies, and material weaknesses and direct and material noncompliance with Ohio law as disclosed in the Village of Newtonsville’s 2012-2013 basic audit including expenditures exceeding appropriations in the general fund, contributions to OPERS not being submitted, bank reconciliations not being performed and failure to file an annual financial report for 2012 and 2013.

2. Fund balances cannot be determined for 2014, 2015 and 2016 because the records for the Village are in very poor condition and in need of reconstruction.

3. The Village has not reconciled its account journals and ledgers with the bank. The last reconciliation was December 31, 2012 (39 months).

Accordingly, the Auditor of State hereby declares the Village of Newtonsville to be in a state of Fiscal Caution under Section 118.025(A) of the Ohio Revised Code. A copy of this declaration is being submitted to Kevin Pringle, Mayor of the Village of Newtonsville and Sandra Hunt, President of Council.

Dave Yost
Auditor of State

April 26, 2016