



Dave Yost • Auditor of State

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) unauditible financial records; (2) significant deficiencies, material weaknesses, direct and material noncompliance that have a material effect on the financial condition; (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 the Village of Rarden's (Scioto County) financial records on October 2, 2013, the Village of Rarden met the following fiscal caution conditions:

1. Significant deficiencies, material weaknesses and direct and material noncompliance with Ohio law as disclosed by the Scioto County Auditor. The Village failed to file an annual tax budget, appropriations, certificate of year end balances and a resolution accepting the amounts and rates as determined by the Scioto County Budget Commission, for 2012 and 2013. The Village failed to follow the necessary procedures to renew two of its tax levies (6.0 mill Current Expense levy and a 5.5 mill Fire Levy) which make up a significant portion of the Village's total annual revenue. The Village also failed to file annual financial reports with the Auditor of State's office for 2011 and 2012.
2. Fund balances cannot be determined for 2011 and 2012 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, 2010 (33 months).

Accordingly, the Auditor of State hereby declares the Village of Rarden 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 Ronald Syrone, Mayor of the Village of Rarden, Keven Purdue, President Pro-Tempore of Village Council and Lelia Copas, Fiscal Officer.


Dave Yost
Auditor of State

October 17, 2013