



Dave Yost • Auditor of State

Declaration of Fiscal Caution

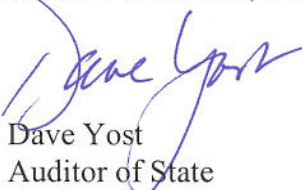
Pursuant to Section 118.025(A), Revised Code, the Auditor of State developed guidelines for identifying fiscal practices and budgetary conditions that, if uncorrected, could result in a future declaration of a fiscal watch or fiscal emergency of a municipal corporation, county, or township. If the Auditor 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) 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 review of financial data on May 9, 2013, Franklin Township (Richland County) meets the following fiscal caution conditions:

1. Significant deficiencies, material weaknesses and direct and material noncompliance with Ohio law as disclosed in the Franklin Township 2009-2010 audit. The audit disclosed fifteen noncompliance findings. The Township also failed to file annual reports with the Auditor of State's office.
2. Fund balances cannot be determined for 2011 and 2012 because the records for the Township are in very poor condition and in need of reconstruction.
3. The Township has not reconciled its account journals and ledgers with the bank. The last reconciliation was December 31, 2010 (30 months).

Accordingly, the Auditor of State hereby declares Franklin Township 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 John McCarron, Jeff Kuhn, Steve Lantz, Franklin Township Board of Trustees and Jennifer Washburn, Fiscal Officer.


Dave Yost
Auditor of State

August 8, 2013