



# Dave Yost • Auditor of State

## House State and Local Government Committee

**Dave Yost, Auditor of State**

**House Bill 103**

**March 21, 2017**

Chairman Anielski, Vice-Chair Hambley, Ranking Member Bishoff and members of the House State and Local Government Committee, thank you for allowing me to testify today in support of HB 103.

HB 103 would make much needed changes to R.C. §118 which outlines the fiscal distress process for local governments. As a point of reference, entities can be placed in three different categories of fiscal distress—fiscal caution, fiscal watch, and fiscal emergency. Currently in Ohio, we have nine entities in fiscal caution, one in fiscal watch, and 23 in fiscal emergency. On average, local governments spend approximately 5 years in fiscal emergency.

R.C. §118 was originally enacted in 1978 as a response to the Cleveland debt crisis. The fiscal distress process acts as both a deterrent and a remedy when a local government is facing financial hardship, which we recognize is not always of its own making. An entity in fiscal emergency must develop and implement a financial recovery plan to get back on solid financial footing. The entity is held accountable by a Financial Planning and Supervision Commission, supervised by the Auditor of State, who approves or disapproves of the plan. The commission is given broad powers to enforce the plan and ensure the entity is taking the correct path towards financial solvency.

Although the process has worked well since its inception, there are times when commissions become stalled, stonewalled, or otherwise are prevented from doing their work. By comparison, we have observed that school districts spend a year less, on average, in fiscal emergency than other local governments. In short, school district commissions function well; local government commissions frequently do not.<sup>1</sup> Although we have not imported the entire commission framework for schools, this legislation is an attempt to apply what works well from that statute and strike a balance between local influence and outside oversight. The legislation also contains some of our own recommendations to help entities begin the recovery process faster and ultimately implement their recovery plan.

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<sup>1</sup> Under R.C. §3316.05(B)(1), school district commissions consists of: two ex officio members: the director of budget and management and the superintendent of public instruction, and three appointed members, one by the governor, one by the superintendent of public instruction, and one by the mayor of the municipal corporation with the largest number of residents living within the school district.

### **Composition of the Financial Planning and Supervision Commission**

First, the bill addresses the make-up of the Financial Planning and Supervision commission. Under current law the commission is made up of seven members, four ex-officio members and three local members. HB 103 does not change the number of ex-officio or local members on the commission. Rather, the bill preserves the influence of local officials to fix local problems and speeds up the seating of the commission to begin their work. Under current law local officials can exercise complete control over the commission since they hold five of the seven votes. At times, this consolidated power structure may operate to the detriment of the entity, preventing any progress or implementation of a plan. HB 103 brings greater objectivity to the commission – local governments retain control over three of the seven seats, with the remaining votes going to individuals outside the entity.

Attached to my testimony is a table which identifies the current make-up and our proposed make-up of the commission.

### **Appointment Process for Local Members**

The bill also speeds up the appointment and selection process of the commission. Currently the appointment process can take a year or longer to properly seat a commission. The local leaders submit five names to the governor who then approves and appoints three of the five. There is no deadline to submit names to the Governor nor is there a deadline for the Governor to make his selection from the names provided to him. This stands in contrast to the process with school districts where the commission is organized quickly. In the school district fiscal emergency section, the locally appointed members are appointed within 15 days of the declaration of fiscal emergency. HB 103 imports the school district language requiring all appointments to be made in 15 days. To give an example, under current law, with a city, the mayor and council make a recommendation of five people to the Governor's office who must then select three of those members to be placed onto the commission. The process being proposed in HB 103 allows local governments to directly appoint two members to the commission while also retaining the Governor's authority to appoint one member to the commission.

### **Content of the Financial Recovery Plan**

We have found that local governments sometimes choose not to access funds that could otherwise allow them to be released from fiscal emergency sooner. For instance, the City of Wellston has a "Permanent Investment Fund" that was set up over 20 years ago with the sale of the City's electric plant. The City Council at that time restricted expenditures to "interest only" and also did not allow for any other expenditures of the monies without the vote of the electorate. The City Council could have rescinded the provision requiring the "vote of the electorate" and the "spending of interest only," but opted not to. If the commission was given the power to include these items in the recovery plan and was granted the ability to limit funding and expenditures until the items were implemented, in Wellston's case, several funds could have been restored to positive balances and allowed the city to be released from fiscal emergency sooner. The bill addresses this problem by encouraging a local government in fiscal emergency

to use all funds that are not restricted by state law or the state Constitution, to help them get out of fiscal emergency. Failure to use these kinds of funds would result in the enforcement of the 85% of expenditures rule, which requires the local government to spend 85% of what they spent during the same month of the previous calendar year from the general fund. Our experience with the 85% of expenditures rule (as found in current law) is that it acts as an effective means of helping entities make the tough decisions needed for fiscal recovery.

### **Additional Powers Granted to the Financial Planning and Supervision Commission**

This legislation requires local governments to provide accurate and timely financial data and reports to the financial supervisor. As noted above, the Auditor of State is designated as the financial supervisor to these commissions and is tasked with creating monthly financial reports to be given to the commission for their consideration. Late or inaccurate financial data or reports can delay the important work of the commission. HB 103 puts a time limit on the submission of financial data or reports to the Auditor of State, and allows the commission to approve or disapprove of the financial data or reports. Disapproval of the financial data or reports by the commission may result in the commission electing to enforce the 85% of expenditures rule as explained earlier in my testimony.

### **Escalation from Fiscal Watch to Fiscal Emergency for Failure to Implement Plan**

HB 103 codifies a provision enacted under HB 64 of the 131<sup>st</sup> General Assembly which enables the Auditor of State to escalate an entity from fiscal watch to fiscal emergency if they fail to act upon or implement their financial recovery plan within 90 days of the declaration of fiscal watch. Although such escalation existed for caution to watch, no such provision was in place for watch to emergency. As a result, a local government under fiscal watch could adopt a plan with no intention of actually implementing the plan, leaving our office with no enforcement mechanism. Entities in fiscal watch can continue to operate for years in a condition of fiscal watch until they eventually meet the conditions for fiscal emergency, proving the old adage “you can lead a horse to water, but you can’t make it drink.” Codifying this provision will cure an error in the code and help enforce the requirement that entities implement their recovery plan.

### **Financial Health Indicators**

In closing, I’d like to make note of an important tool we introduced several months ago to prevent financial crises – Financial Health Indicators (“FHI”). This tool helps cities and counties better assess their financial health and make informed budgetary decisions to avoid future fiscal stress. While the fiscal emergency process is reactive in nature, FHI is a proactive tool to help Ohio’s 247 cities and 88 counties gauge their fiscal health. This system looks at 17 indicators using data from the previous 4 years to provide each entity their own personalized fiscal physical. No single indicator can determine the outlook of an entity, but all 17 paint a financial forecast. Depending on the data, each indicator is designated as either having a “critical outlook”, “cautionary outlook”, or a “positive outlook.” The FHI report can be used to determine early warning signs of fiscal distress so an entity can take corrective action and avoid a fiscal distress designation altogether.

The bill before you is the product of more than two years of internal vetting and work with outside stakeholders, including the County Commissioner's Association ("CCAO"), the Ohio Township Association ("OTA), and the Ohio Municipal League ("OML"). We appreciate the valuable feedback and revisions these groups have provided to make this a better bill.

I would like to thank Representative Reineke for his leadership on this important measure. Thank you Chairman Anielski and members of the committee; I would be happy to answer any questions you may have at this time.

## MUNICIPALITIES

	Current Law	Proposal
4 Ex-Officio Members	<ul style="list-style-type: none"> <li>• Treasurer of State</li> <li>• Director of the Office of Budget and Management</li> <li>• Mayor</li> <li>• President of Council</li> </ul>	<ul style="list-style-type: none"> <li>• Treasurer of State</li> <li>• Director of the Office of Budget and Management</li> <li>• Mayor</li> <li>• President of Council</li> </ul>
3 Local Members	Five members are nominated by the Mayor and President of Council. Of those five, three are selected and appointed by the Governor	<ul style="list-style-type: none"> <li>• Governor's Appointee</li> <li>• Mayor's Appointee</li> <li>• County Auditor or County Fiscal Officer in the case of a chartered county</li> </ul>

## TOWNSHIPS

	Current Law	Proposal
4 Ex-Officio Members	<ul style="list-style-type: none"> <li>• Treasurer of State</li> <li>• Director of the Office of Budget and Management</li> <li>• Township Trustee</li> <li>• County Auditor</li> </ul>	<ul style="list-style-type: none"> <li>• Treasurer of State</li> <li>• Director of the Office of Budget and Management</li> <li>• Township Trustee</li> <li>• County Auditor or County Fiscal Officer in the case of a chartered county</li> </ul>
3 Local Members	Five members are nominated by the Board of Trustees. Of those five, three are selected and appointed by the Governor	<ul style="list-style-type: none"> <li>• Governor's Appointee</li> <li>• Board of Township Trustees appointee</li> <li>• Board of Township Trustees appointee</li> </ul>



## COUNTIES

	Current Law	Proposal
4 Ex-Officio Members	<ul style="list-style-type: none"> <li>• Treasurer of State</li> <li>• Director of the Office of Budget and Management</li> <li>• President of the Board of County Commissioners</li> <li>• County Auditor</li> </ul>	<ul style="list-style-type: none"> <li>• Treasurer of State</li> <li>• Director of the Office of Budget and Management</li> <li>• Member of Board of County Commissioners or County Executive for chartered counties</li> <li>• County Auditor or County Fiscal Officer in the case of a chartered county</li> </ul>
3 Local Members	Five members are nominated by the Board of Commissioners. Of those five, three are selected and appointed by the Governor	<ul style="list-style-type: none"> <li>• Governor's Appointee</li> <li>• Board of County Commissioners appointee or County Executive Appointee in the case of a chartered county</li> <li>• Board of County Commissioners appointee or County Council appointee in the case of a chartered county</li> </ul>





## Local Governments Currently In Fiscal Emergency

Entity Name	County	Population(2)	Initiated By	Default		Payroll	Accounts		Deficit	Treasury		Failure to Submit Acceptable Recovery Plan	Date Declared	Duration (in years) at 11/15/2016
				on Debt	on Debt		Payable (1)	Payable (1)		Deficit (1)	Deficit (1)			
1 Village of Manchester	Adams	2,223	Auditor	-	\$0	-	-	\$0	\$105,447	-	\$0	-	09/29/97	19.2
2 Manchester Township	Adams	2,723	Request	-	-	-	-	-	66,602	47,721	-	-	09/20/02	14.2
3 City of Calion	Crawford	11,341	Request	-	-	-	-	-	6,879,112	4,350,068	-	-	08/09/04	12.3
4 Bloom Township	Scioto	3,218	Request	-	-	-	-	-	13,403	-	-	-	08/09/05	11.3
5 Village of Portage	Wood	428	Request	-	-	-	-	-	103,105	77,622	-	-	04/08/09	7.6
6 Village of West Mansfield	Logan	700	Request	-	-	-	-	-	113,772	132,859	-	-	08/13/09	7.3
7 City of Wellston	Jackson	6,078	Auditor	-	-	-	-	-	-	623,915	-	-	10/01/09	7.1
8 Village of Leipsic	Putnam	2,236	Request	495,768	-	-	-	-	582,015	-	-	-	09/16/10	6.2
9 Village of Tiro	Crawford	280	Request	6,687	-	-	-	-	-	-	-	-	08/30/12	4.3
10 City of East Cleveland	Cuyahoga	17,843	Auditor	-	-	-	-	-	-	-	-	Unacceptable	10/09/12	4.1
11 Village of Patterson	Hardin	139	Request	-	-	-	1,954	-	3,921	1,036	-	-	05/14/13	3.5
12 City of Massillon	Stark	32,149	Request	-	-	-	-	-	135,906	-	-	-	10/08/13	3.1
13 Village of Edgerton	Williams	2,012	Request	-	-	-	-	-	134,364	-	-	-	12/17/13	2.9
14 Village of Trimble	Athens	390	Request	-	-	-	45,329	-	164,146	88,382	-	-	05/13/14	2.5
15 St. Clair Township	Butler	6,908	Request	-	-	-	-	-	190,159	-	-	-	05/15/14	2.5
16 City of Niles	Trumbull	19,266	Request	-	-	-	-	-	61,093	-	-	-	10/07/14	2.1
17 City of Maple Heights	Cuyahoga	23,138	Request	126,196	-	-	-	-	589,889	-	-	-	02/13/15	1.8
18 Village of Smithfield	Jefferson	869	Auditor	63,825	-	-	19,003	-	690,719	-	-	-	06/16/15	1.8
19 Village of Green Camp	Marion	374	Request	80,142	-	-	472,940	-	505,330	40,248	-	-	09/15/15	1.2
20 Village of Clarksville	Clinton	548	Request	-	-	-	-	-	306,111	-	-	-	05/26/16	0.5
21 City of Fostoria	Seneca	13,441	Request	-	-	-	-	-	-	-	-	-	10/06/16	0.1
22 City of Norwood	Hamilton	19,207	Auditor	-	-	-	-	-	28,710	-	-	-	11/15/16	0.0
23 Village of Wellsville	Columbiana	3,541	Request	-	-	-	-	-	-	-	-	-	-	-

## Local Governments Terminated from Fiscal Emergency

Entity Name	County	Population	Initiated By	Default		Payroll	Accounts		Deficit	Treasury		Date Declared	Date Terminated	Duration (in Years)
				on Debt	on Debt		Payable (1)	Payable (1)	Funds (1)	Deficit (1)	Deficit (1)			
1 City of Niles	Trumbull	23,088	Auditor	-	\$0	-	-	\$0	\$1,002,340	-	\$0	01/03/80	05/25/83	3.3
2 City of Cleveland	Cuyahoga	573,822	Auditor	15,000,000	-	-	-	-	-	-	-	01/04/80	06/25/87	7.4
3 City of Norwood	Hamilton	26,342	Auditor	-	-	-	-	-	1,800,000	-	-	05/07/80	10/01/82	2.4
4 Village of Plymouth	Richland	1,939	Request	56,382	-	-	-	-	97,532	-	-	05/30/80	10/29/82	2.4
5 City of Ashabula	Ashabula	23,449	Auditor	-	-	-	-	-	628,516	-	-	09/15/80	03/28/85	4.5
6 Village of Freeport	Harrison	525	Request	-	-	-	6,048	-	-	-	-	10/03/80	05/15/85	4.6
7 City of Ironton	Lawrence	14,290	Auditor	-	-	-	-	-	708,124	-	-	01/16/81	05/18/87	6.3
8 City of Lincoln Heights	Hamilton	5,259	Auditor	-	-	-	46,875	-	71,150	-	-	12/29/81	08/25/87	5.7
9 City of East Liverpool	Columbiana	16,687	Auditor	-	-	-	588,981	-	-	-	-	04/08/82	07/16/85	3.3
10 Village of Manchester	Adams	2,313	Auditor	-	-	-	49,161	-	53,000	-	-	08/19/83	03/31/86	2.6
11 City of Campbell	Matoning	11,619	Auditor	-	-	-	271,415	-	490,919	-	-	10/19/83	07/18/86	2.8
12 Village of Elmwood Place	Hamilton	2,840	Request	-	-	-	-	-	54,000	-	-	03/29/84	06/12/86	2.3
13 Village of Christiansburg	Champaign	593	Request	19,675	-	-	31,476	-	29,751	-	-	03/29/84	05/23/85	1.2
14 Village of Jacksonville	Athens	651	Request	-	-	600	8,518	-	10,000	-	-	04/02/84	06/17/86	2.2

# Local Governments Terminated from Fiscal Emergency (Continued)

Entity Name	County	Population	Initiated By	Default on Debt	Payroll	Accounts Payable (1)	Deficit Funds (1)	Treasury Deficit (1)	Date Declared	Date Terminated	Duration (in Years)
15 City of Wellsville	Columbiana	5,095	Request	\$90,024	\$0	\$287,215	\$377,873	\$148,051	06/20/84	03/21/89	4.8
16 Village of Irondale	Jefferson	535	Request	15,000	-	12,721	10,912	-	10/09/85	07/06/93	7.8
17 Village of New Straitsville	Perry	937	Request	-	-	17,567	-	-	10/28/85	05/29/90	4.6
18 Village of Lynchburg	Highland	1,205	Request	-	-	2,469,078	2,461,796	-	04/19/88	10/17/95	7.5
19 Village of Dillonvale	Jefferson	912	Request	-	-	-	13,752	-	07/06/93	01/22/99	6.9
20 City of Nelsonville	Athens	5,059	Request	-	942	3,983	308,643	-	02/13/92	11/13/98	6.7
21 Village of Seneca	Gretna	434	Request	10,000	-	18,351	18,964	-	03/05/92	11/13/98	6.7
22 Village of West Millgrove	Wood	171	Request	-	-	5,686	12,734	0	12/02/96	06/01/00	3.5
23 City of Ulrichsville	Tuscarawas	5,600	Request	-	-	-	1,861,905	1,751,969	08/06/98	09/16/03	5.1
24 Village of Corwin	Warren	225	Auditor	-	-	-	24,164	-	11/12/98	09/29/05	6.8
25 Village of Wells	Columbiana	4,133	Request	-	-	-	17,928	-	08/22/01	12/01/05	4.3
26 City of East Cleveland	Cuyahoga	36,957	Auditor	-	-	-	3,772,984	2,553,992	09/09/88	02/06/06	17.4
27 Village of Burbank	Wayne	287	Request	-	-	81,559	145,836	39,994	09/28/00	11/09/06	6.2
28 Village of Harveysburg	Warren	563	Request	-	-	-	83,630	73,397	09/20/01	06/19/07	5.8
29 City of Monroe	Butler	7,133	Request	-	-	-	4,684,977	1,490,718	08/12/04	08/09/07	3.0
30 City of Eastlake	Lake	20,255	Request	-	-	-	1,629,817	-	05/18/04	12/04/07	3.6
31 Village of Russells Point	Logan	1,619	Request	-	-	-	63,684	41,696	05/12/05	12/18/07	2.6
32 Village of Coaton	Jackson	630	Request	-	-	11,700	33,471	-	08/01/93	09/23/08	15.1
33 Village of Pikeon	Pike	1,717	Request	-	-	-	23,961	143,758	07/08/04	10/15/09	5.3
34 Village of Sparta	Morrow	191	Request	1,187,056	-	-	6,485	-	05/31/07	05/25/10	3.0
35 Village of Woodstock	Champaign	317	Request	-	-	-	9,086	-	07/20/06	06/29/10	3.9
36 Village of Alger	Hardin	888	Request	-	-	-	142,968	88,983	08/09/05	12/20/11	6.3
37 City of Girard	Trumbull	10,902	Request	342,564	-	-	390,510	-	08/08/01	06/07/12	10.8
38 Village of Metrose	Paulding	322	Request	-	-	-	13,281	10,428	12/17/08	05/09/13	4.4
39 Village of Midland	Clinton	265	Request	-	-	-	12,739	-	11/30/06	05/14/13	6.5
40 Village of West Elkton	Preble	194	Request	-	-	-	38,935	17,465	09/16/04	05/28/13	8.7
41 City of Garfield Heights	Cuyahoga	30,734	Request	-	-	-	1,869,779	-	10/14/08	09/19/13	4.9
42 City of Campbell	Mahoning	9,460	Request	-	-	-	598,128	-	06/10/04	10/02/13	9.3
43 Village of Bethel	Clermont	2,637	Request	-	-	-	249,804	-	08/24/10	10/17/13	3.2
44 Village of McClure	Henry	761	Request	-	-	-	37,638	42,620	09/10/09	10/22/13	4.1
45 Village of Fort Shawnee **	Allen	3,855	Request	-	-	4,040	50,761	18,211	09/16/10	12/03/13	3.3
46 Village of Waynesville	Warren	2,258	Request	-	-	-	233,677	-	04/15/08	04/22/14	6.0
47 Scioto County	Scioto	61,792	Request	-	-	-	765,296	-	08/19/09	06/30/14	4.8
48 City of Mansfield	Richland	49,346	Request	-	-	-	3,841,050	-	08/19/10	07/07/14	3.9
49 Village of Morral	Marton	399	Request	-	-	-	8,370	-	05/14/13	03/26/15	1.8
50 Village of Wilshire	Van Wert	463	Request	-	-	-	61,796	40,357	12/29/05	03/31/15	9.3
51 Village of New Bavaria	Henry	78	Request	-	-	-	11,589	11,755	05/06/10	04/02/15	4.9
52 Hamilton Township	Warren	23,556	Auditor	-	-	-	2,576,119	1,048,081	04/09/14	10/01/15	1.5
53 Village of Newcomertown	Tuscarawas	4,008	Request	-	-	-	155,149	-	10/11/12	06/13/16	3.7
54 Village of Lakemore	Summit	2,561	Request	-	-	-	839,450	584,532	40,421	08/31/10	6.3

\*\* The Village residents voted on November 6, 2012 in favor of the Village of Fort Shawnee surrendering its corporate powers and ceasing to exist in accordance with Ohio Rev. Code Section 703.20.

(2) Population figures are based on census data at the time of the declaration.

Note: The fiscal emergency criteria for changes in the minimum levy (the entity's share of the first 10 mills of property taxes levied under State law) is not present above because no entity has met the condition.

## Local Governments Currently in Fiscal Watch

Entity Name	County	Population	Initiated By	Accounts Payable	Deficit Funds	Treasury Deficit	Forecasted General Fund Deficit	Failure to Submit Acceptable Recovery Plan	Failure to Make Progress	Date Declared	Duration (in years) at 11/15/2016
1 City of Portsmouth	Scioto	18,468	Auditor	-	-	-	-	-	Yes	04/09/13	3.6

## Local Governments Terminated from Fiscal Watch

Entity Name	County	Population	Initiated By	Accounts Payable	Deficit Funds	Treasury Deficit	Forecasted General Fund Deficit	Failure to Submit Acceptable Recovery Plan	Failure to Make Progress	Date Declared	Date Terminated	Duration (in Years)
1 City of Youngstown	Mahoning	96,000	Request	\$0	\$6,900,000	\$0	\$0	-	-	12/13/96	05/18/99	2.4
2 City of Silvertown	Hamilton	5,800	Request	-	211,000	-	-	-	-	11/10/97	07/01/99	1.7
3 City of Ulrichsville(1)	Tuscarawas	5,600	Request	-	1,993,614	1,910,900	-	-	-	12/31/97	08/06/98	0.7
4 Village of Corwin (1)	Warren	225	Auditor	-	46,828	-	-	-	-	04/20/98	11/12/98	0.6
5 Village of Montezuma	Mercer	228	Request	-	5,032	-	-	-	-	04/24/00	04/10/02	2.0
6 Village of Harveyburg (1)	Warren	563	Request	-	48,139	39,130	-	-	-	12/19/00	09/20/01	0.8
7 Village of Yankee Lake	Trumbull	88	Request	141	1,165	141	-	-	-	04/11/02	04/15/04	2.0
8 City of Campbell (1)	Maioning	9,460	Request	-	196,709	-	-	-	-	03/08/04	06/10/04	0.3
9 Village of Pikeeton (1)	Pike	1,717	Request	-	-	133,562	-	-	-	12/28/00	07/08/04	3.6
10 City of Jackson	Jackson	6,184	Request	-	-	-	5,918,000	-	-	11/18/02	01/10/05	2.2
11 Village of Lawrenceville **	Clark	400	Request	-	4,582	-	-	-	-	12/29/99	08/02/05	5.7
12 City of New Carlisle	Clark	5,735	Request	-	520,140	182,933	-	-	-	06/09/03	06/05/08	5.0
13 Village of Lockland	Hamilton	3,707	Request	-	302,919	125,157	-	-	-	09/30/03	10/20/08	5.1
14 Village of Morrow	Warren	1,286	Request	-	80,826	6,790	-	-	-	11/08/07	09/03/09	1.8
15 Village of Antwerp	Paulding	1,740	Request	-	85,804	-	-	-	-	12/22/06	09/29/09	2.8
16 Village of Belmonte	Putnam	171	Request	-	6,957	6,409	-	-	-	12/21/07	04/15/10	2.3
17 City of Mansfield (1)	Richland	49,346	Request	-	-	-	2,915,000	-	-	12/15/09	08/19/10	0.7
18 City of East Cleveland (1)	Cuyahoga	17,843	Auditor	-	-	-	Unacceptable	-	-	05/23/12	10/09/12	0.4
19 Village of Mantua	Portage	1,046	Request	28,842	114,942	-	-	-	-	08/26/08	04/10/13	4.7
20 City of Lorain	Lorain	68,900	Request	-	-	-	2,400,000	-	-	10/17/02	10/21/13	11.0
21 City of Maple Heights	Cuyahoga	23,138	Request	43,450	1,487,473	16,281	-	-	-	04/10/14	02/13/15	0.8
22 City of Norwood	Hamilton	21,675	Request	-	-	-	154,000	-	-	10/07/04	10/06/16	12.0

(1) The fiscal watch condition was terminated with a declaration of fiscal emergency.

\*\* The Village residents voted on August 2, 2005 in favor of the Village surrendering its corporate powers and ceasing to exist in accordance with Ohio Rev. Code Section 703.20.

## Local Governments Currently In Fiscal Caution

Entity Name	County	Population	Fiscal Caution Criteria Met					Duration (in years) at 11/15/2016
			Unauditable Records	Material Weaknesses /Non Comp- liance Issues	Deficit Fund	Low Carryover Balance	Failure to Reconcile Accounting Records	
				Yes	Balances	-	Yes	
1 Madison Township	Richland	11,168	Yes	Yes	78,001	-	Yes	4.5
2 Newton Township	Trumbull	8,875	Yes	Yes	147,967	-	-	4.1
3 City of Chillicothe	Ross	21,901	-	Yes	350,498	-	-	4.1
4 Franklin Township	Richland	1,721	-	Yes	-	-	Yes	3.3
5 Liberty Township	Trumbull	21,982	-	Yes	-	-	-	3.1
6 Village of Rarden	Scioto	159	-	Yes	-	-	Yes	3.1
7 Village of Bloomingburg	Fayette	938	-	Yes	28,011	-	-	2.9
8 Rush Township	Scioto	3,171	-	Yes	-	-	Yes	2.3
9 Village of Newtonsville	Clermont	392	-	Yes	-	-	Yes	0.6

## Local Governments Terminated from Fiscal Caution

Entity Name	County	Population	Unauditable Records	Material Weaknesses /Non Comp- liance Issues	Deficit Fund Balances	Low Carryover Balance	Failure to Reconcile Accounting Record	Date Declared	Date Terminated	Duration (in Years)
1 City of East Cleveland	Cuyahoga	17,843	-	Yes	5,872,222	-	-	01/05/12	5/23/2012	0.3
2 City of Portsmouth	Scioto	18,468	-	Yes	-	-	-	11/22/11	4/9/2013	1.4
3 Village of Smithfield	Jefferson	869	Yes	Yes	-	-	Yes	10/02/14	2/19/2015	0.3
4 City of Akron	Summit	206,931	-	Yes	\$87,820,000	-	-	09/30/11	3/5/2015	3.5