



Dave Yost
Ohio Auditor of State

FINANCIAL HEALTH INDICATORS

A message from the Auditor



One of my responsibilities as Auditor of State is placing financially troubled communities or school districts in fiscal distress. Candidly, I have mixed emotions any time a fiscal emergency is declared. While our office excels at helping entities identify pathways to financial stability, there is an undeniable psychological impact anytime a local government is declared to be distressed.

Having been a county official, I learned firsthand that factors beyond a local official's control can wreak havoc on a budget. Funding reductions from either the state or federal governments can destroy a budget, as can the departure of a large employer.

Shortly after taking office as state Auditor in 2011, I noticed some communities were struggling and, barring a course correction, would end up in fiscal emergency. My office needed to devise a way to help communities avoid going over a fiscal cliff instead of resuscitating them after they crashed at the bottom.

After years of work, we have developed a tool that will help city and county officials better predict the financial stability of their communities and make well-informed decisions. The tool uses data supplied by cities and counties to identify those predisposed to fiscal stress. Once identified, our team can help cities and counties develop a plan to improve their condition.

In a nutshell, the indicators focus on key financial data points to determine whether an entity is improving or worsening and to what degree. Those data points, or financial health indicators, collectively tell us whether problems lie ahead.

I am excited at the potential benefit this tool will bring to the 247 cities and 88 counties in our state. In a perfect world, we'd never again need to declare another entity in fiscal distress.

Sincerely,

A handwritten signature in blue ink that reads "Dave Yost".

Dave Yost
Auditor of State