



STATE OF OHIO  
OFFICE OF THE AUDITOR

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### DECLARATION OF FISCAL EMERGENCY

At the request of the Lordstown Local School District Board of Education dated June 28, 2000, the Office of the Auditor of State performed an examination of the financial forecast of the general fund of the District as required under Section 3316.03, Revised Code. In conjunction with our examination of the financial forecast, the Auditor determined and certified an operating deficit for the year ending June 30, 2001 to the State Department of Education in the amount of \$1,357,000 and declared the Lordstown Local School District in a state of fiscal watch on October 23, 2000.

The declaration of fiscal watch was based on the following:

The Auditor of State certified an operating deficit of the general fund in the amount of \$1,357,000. This amount exceeded eight percent of the general fund revenues for the prior fiscal year.

The Lordstown Local School District's unencumbered cash balance for the preceding fiscal year was \$288,000. This amount was less than eight percent of the preceding fiscal year expenditures.

The Lordstown Local School District voting electors had not passed a levy that would eliminate the first two conditions.

Section 3316.04, Revised Code, requires the board of education of a district declared to be in fiscal watch to prepare and submit a financial plan to the State Superintendent of Public Instruction that demonstrates the actions the board will take to eliminate the district's current operating deficit and avoid incurring future operating deficits. A school district that fails to submit an acceptable plan within 120 days of the declaration of fiscal watch is required to be declared in a state of fiscal emergency in accordance with Section 3316.03(B), Revised Code.

On November 1, 2000, the Lordstown Local School District Board of Education adopted a resolution stating they would not be able to submit a financial plan acceptable to the State Superintendent of Public Instruction within 120 days of the Auditor's declaration of fiscal watch, pursuant to Section 3316.04, Revised Code, and requesting declaration of fiscal emergency. In correspondence dated December 4, 2000, the State Superintendent of Public Instruction verified that the District has been unable to develop an acceptable recovery plan and requested that the Auditor of State declare the District to be in a state of fiscal emergency.

Accordingly, the Auditor of State hereby declares the Lordstown Local School District to be in a state of fiscal emergency as defined by Section 3316.03(B)(2), Revised Code. A copy of this declaration is being submitted to Becky Albrecht, President of the Board of Education of the Lordstown Local School District, Bob Taft, Governor, Thomas Johnson, Director of Budget and Management, Arno Hill, Mayor of the Village of Lordstown, and Susan Tave Zelman, State Superintendent of Public Instruction.

JIM PETRO  
Auditor of State

December 8, 2000