



**Auditor of State
Betty Montgomery**

DECLARATION OF FISCAL EMERGENCY

At the request of the Mentor Exempted Village School District Board of Education dated October 28, 2003, the Office of the Auditor of State performed an examination of the financial forecast of the general fund of the School District as required under Section 3316.03, Revised Code. In conjunction with our examination of the financial forecast, the Office determined and certified an operating deficit for the fiscal year ending June 30, 2004 to the State Department of Education on February 4, 2004 in the amount of \$20,138,000.

Under Section 3316.03(B)(1), Revised Code, the Auditor of State shall issue an order declaring a school district to be in a state of fiscal emergency if the following conditions are satisfied:

- An operating deficit has been certified for the current fiscal year by the Auditor of State, and the certified operating deficit exceeds fifteen percent of the School District's general fund revenue for the preceding fiscal year.
- A levy has not been passed by the voters that will raise enough additional revenue in the succeeding fiscal year that will result in the first condition not being met in the succeeding fiscal year.

An analysis of the Mentor Exempted Village School District, for the purpose of determining whether the School District met the conditions outlined above, disclosed the following:

- The Auditor of State certified an operating deficit of the general fund in the amount of \$20,138,000. This amount represents 27 percent of Mentor Exempted Village School District's general fund revenue for fiscal year 2003 which exceeds fifteen percent of the general fund revenues for the prior fiscal year.
- The levy approved by the voters of the School District in November 2003 is not sufficient to eliminate the first condition.

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Accordingly, the Auditor of State hereby declares the Mentor Exempted Village School District to be in a state of fiscal emergency as defined by Section 3316.03(B)(1), Revised Code. A copy of this report is being submitted to Charleen R. Gawronski, President of the Board of Education of the Mentor Exempted Village School District, Thomas W. Johnson, Director of Budget and Management, Robert M. Shiner, City of Mentor Mayor/President of Council, and Dr. Susan Tave Zelman, State Superintendent of Public Instruction.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

February 4, 2004