



Auditor of State Betty Montgomery

DECLARATION OF FISCAL EMERGENCY

At the request of the Struthers City School District Board of Education the Office of the Auditor of State performed an examination of the District's financial forecast of the general fund 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 fiscal year ending June 30, 2005 to the State Department of Education on May 11, 2005 in the amount of \$1,907,000.

Under Section 3316.03(B)(5), Revised Code the Auditor of State may issue an order declaring a school district to be in a state of fiscal emergency if all of the following conditions are satisfied:

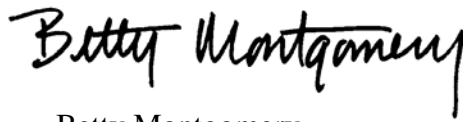
- An operating deficit has been certified for the current fiscal year by the Auditor of State, and the certified operating deficit exceeds 10 per cent, but does not exceed 15 per cent, of the District's general fund revenue for the preceding fiscal year;
- A majority of the voting electors have not voted in favor of levying a tax under Section 5705.194 or 5705.21 or Chapter 5748 of the Revised Code that the Auditor of State expects will raise enough additional revenue in the next fiscal year that would reduce the deficit below 10 percent for that fiscal year; and,
- The Auditor of State determines that a declaration of fiscal emergency is necessary to correct the District's fiscal problems and to prevent further fiscal decline.

The analysis conducted of the Struthers City School District for the purpose of determining whether the 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 \$1,907,000. This amount exceeds 10, but does not exceed 15 percent of the general fund revenues for the prior fiscal year;
- The voters of the Struthers City School District have not passed a levy that will eliminate the first condition; and,
- The Auditor of State has determined that a declaration of fiscal emergency is necessary to correct the district's fiscal problems and to prevent further fiscal decline.

Declaration of Fiscal Emergency
Struthers City School District
May 11, 2005

Accordingly, the Auditor of State hereby declares the Struthers City School District to be in a state of fiscal emergency as defined by Section 3316.03(B)(5), Revised Code. A copy of this declaration and our report on the forecast is being submitted to Matt Rhoads, President of the Board of Education of the Struthers City School District, Thomas Johnson, Director of Office of Budget and Management, Daniel C. Mamula, Mayor of the City of Struthers, and 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

May 11, 2005