



Dave Yost • Auditor of State

Declaration of Fiscal Watch

Effective January 18, 2010, the Department of Education declared the Liberty Local School District, Trumbull County, to be in a state of Fiscal Caution in accordance with Section 3316.031 of the Ohio Revised Code. The declaration was based on an anticipated deficit for the fiscal year ending June 30, 2010, and 2011.

Section 3316.031(C) of the Ohio Revised Code requires that the board of education of a district declared to be in fiscal caution provide a written proposal to the Department of Education for correcting the budgetary conditions that prompted the declaration and for preventing the district from experiencing further fiscal difficulties. Upon a determination by the Department of Education that the district has not provided an acceptable proposal and with the concurrence of the Auditor of State that this determination is reasonable, the district is to be declared in fiscal watch.

The Department of Education has notified the Auditor of State that the Liberty Local School District failed to submit the acceptable written proposal required by Section 3316.031(C), Revised Code, for correcting the conditions that prompted the declaration of fiscal caution, and has requested that the School District be placed in fiscal watch in order to prevent further decline. Upon review of the Department of Education's determination and based on the Liberty Local School District's five-year forecast filed with the Department of Education on October 28, 2010, which includes a deficit of \$293,000 and \$2,565,000 for the fiscal years ending June 30, 2011 and 2012, and notification by the Auditor of State to the School District on February 7, 2011, that its financial records were unauditible, the Auditor of State finds the Department of Education's request that the Liberty Local School District be placed in Fiscal Watch to be reasonable.

Accordingly, the Auditor of State hereby declares the Liberty Local School District to be in a state of Fiscal Watch under Section 3316.03(A)(3) of the Ohio Revised Code. A copy of this declaration is being submitted to Diane DeVito, President of the Board of Education of the Liberty Local School District, Timothy Keen, State Director the Office of Budget and Management, Adrian S. Biviano, Trumbull County Auditor, and Stan Heffner, Interim State Superintendent of Public Instruction.

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

Dave Yost
Auditor of State

May 26, 2011