



# Dave Yost • Auditor of State

## DECLARATION OF FISCAL EMERGENCY

Effective December 31, 2003, the Department of Education declared the Cloverleaf Local School District, Medina 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 years ending June 30, 2004 and 2005.

The Auditor of State declared the Cloverleaf Local School District in fiscal watch on March 30, 2004. This declaration was based upon the District's failure to submit a written proposal for eliminating the anticipated deficits that prompted the declaration of fiscal caution. Upon reviewing the Cloverleaf Local School District's five-year forecast filed with the Department of Education on January 22, 2004, which included forecasted deficits of \$275,000 and \$1,725,000 for the fiscal years ending June 30, 2004 and 2005, the Auditor of State found the Department of Education's request that the Cloverleaf Local School District be placed in fiscal watch to be reasonable.

Under Section 3316.03(B)(2), Revised Code, the Auditor of State shall issue an order declaring a school district to be in a state of fiscal emergency if the school district board fails to submit an updated plan when one is required by division (C) of section 3316.04 of the Revised Code. Section 3316.04(C) of the Revised Code requires a school district to submit an updated financial plan to the State Superintendent of Public Instruction, for the Superintendent's approval, every year that the district is in a state of fiscal watch. The State Superintendent of Public Instruction shall approve or disapprove each updated plan no later than the anniversary of the date on which the first such plan was approved. For each fiscal year 2005 through 2011, the Department of Education has accepted the District's submission. The Cloverleaf Local School District Board of Education passed a resolution, dated November 29, 2011, stating their inability to adopt a recovery plan that eliminates the projected current year deficit and requested the Auditor of State to place the school district in fiscal emergency.

Accordingly, the Auditor of State hereby declares the Cloverleaf Local School District to be in a state of fiscal emergency as defined by Ohio Revised Code Section 3316.03(B)(2). A copy of this declaration is being submitted to Mike Schmidt, President of the Cloverleaf Local School District Board of Education; Timothy Keen, Director of the Ohio Office of Budget and Management; Michael Kovack, Medina County Auditor, and Stan Heffner, State Superintendent of Public Instruction.

  
Dave Yost  
Auditor of State  
January 24, 2012