

Declaration of Fiscal Watch

Effective October 31, 2003, the Department of Education declared the Sebring Local School District to be in a state of Fiscal Caution in accordance with Section 3316.031 of the Ohio Revised Code. The declaration was based on anticipated deficits for the fiscal years ending June 30, 2004, and 2005.

Section 3316.031 (C) requires the board of education of a district declared to be in fiscal caution to 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 that the district has not provided an acceptable proposal and with the concurrence of the Auditor of State that this determination was reasonable, the district is to be declared in fiscal watch.

The Department of Education has notified the Auditor of State that the Sebring Local School District failed to submit the written proposal required by Section 3316.031(C) correcting the conditions that prompted the declaration of Fiscal Caution. Upon review of the Department of Education's determination and based on the Sebring Local School District's five-year forecast filed with the Department of Education on October 10, 2003, which includes deficits of \$246,531 and \$874,668 for the fiscal years ending June 30, 2004 and 2005, respectively, the Auditor of State finds the Department of Education's determination that the Sebring Local School District be placed in fiscal watch to be reasonable.

Accordingly, the Auditor of State hereby declares the Sebring 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 James Cannell, President of the Board of Education of the Sebring Local School District, Thomas Johnson, State Director of Budget and Management, John W. Smith, Mayor of the Village of Sebring, and Susan Tave Zelman, State Superintendent of Public Instruction.



Betty Montgomery
Auditor of State

February 9, 2004